JPRS 78561

21 July 1981

Near East/North Africa Report

No. 2368

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 78561

21 July 1981

NEAR EAST/NORTH AFRICA REPORT

No. 2368

CONTENTS

INTER-ARAB AFFAIRS

PLO's 'Arafat Leaves Kuwait, Makes Statement
(Voice of Palestine, 1 Jul 81) 1

Palestinian Magazine Views Need for Summit
(Voice of Palestine, 28 Jun 81) 3

Briefs
PLO Received PRC Submarine 6
Sudan-UAE Labor Agreement 6

ISLAMIC AFFAIRS

Major Islamic Holding Company Established
(8 DAYS, 13 Jun 81) 7

How Islamic No-Interest Banks Work
(8 DAYS, 13 Jun 81) 8

AFGHANISTAN

Guerrillas Slaughter Afghan Military Cadets
(BUSINESS RECORDER, 1 Jul 81) 10

BAHRAIN

Bahrain Oil: Satisfying All Parties
(8 DAYS, 13 Jun 81) 12

IRAN

Bouleau Comments on Khomeyni Attack on Mojahedin
(Erich Bouleau; LE MONDE, 2 Jul 81) 15

Comments on Executions in Country
(Voice of Iran, 7 Jul 81) 17

'Clandestine Radio' Promotes Monarch's Return
(Voice of Iran, 10 Jul 81)..... 18

'Clandestine Radio' Criticizes Links With U.S., UK
(Free Voice of Iran, 11 Jul 81) 20

Soviet Forces 'Massing on Afghan-Iran Border'
(Shahid Uraksi; AL-SHARQ AL-AWSAT, 2 Jul 81) 21

'LE MONDE' on Immediate Aftermath of Tehran Bomb
(Erich Rouleau; LE MONDE, 30 Jun 81) 22

Tehran Assails Turkish Columnist
(Tehran International Service, 6 Jul 81) 24

Bani-Sadr's Defeat by Fundamentalists Analyzed
(Tim McGirk; 8 DAYS, 20 Jun 81) 26

Ouster of Bani-Sadr Hailed as 'Third Revolution'
(Editorial, Zainab; KAYHAN INTERNATIONAL, 5 Jul 81) 28

'AFP' Reports on Current Iranian Situation
(AFP, 2 Jul 81) 32

Iraqi Offer for Ramadan Cease-Fire Rejected
(AFP, 3 Jul 81) 34

'AFP' Reports on Renewed 'Violence' in Iran
(AFP, 6 Jul 81) 35

Broadcast of Bakhtiar 'LE FIGARO' Interview
(Free Voice of Iran, 7 Jul 81) 37

Commentary on 'LA SUISSE' Interview With S. Bakhtiar
(Radio Iran, 11 Jul 81) 40

Government Warns Against Mixed Marriages
(Tehran Domestic Service, 8 Jul 81) 42

Bazaaris Trying To Keep Control of Foreign Trade
(8 DAYS, 27 Jun 81) 43

Japan Is Major Market for Iranian Exports
(8 DAYS, 13 Jun 81) 45

Briefs
Former University President Arrested 47
Bakhtiar Urges Human Rights Protest 47
Mujahedin Members, Supporters Arrested 47
Amnesty International Claim Denied 47

Bani-Sadr Reported in Cairo 48
Antiregime Statements 48
Tehran Police Chief Arrested 48
500 Volunteers Requested 48
Officers Arrested 48
Israeli-Iranian Cooperation 49
Ramadan Truce Rejected 49
GDR Ambassador Extends Condolences 49

IRAQ

'VOP' Comments on Cheyasou Statements
(Voice of Palestine, 5 Jul 81) 50

Economic Cooperation Accord With Britain Marks Thaw in Relations
(AN-NAHAR ARAB REPORT & MEMO, 29 Jun 81) 51

Briefs
Autonomy Experiment 53
Yugoslavia To Build Power Plant 53

ISRAEL

Tsipori Discusses 'Extremist' Druse in Golan
(IDF, 25 Jun 81) 54

Eshed Commentary on Begin-al-Sadat Relations
(Haggy Eshed; DAVAR, 10 Jul 81) 56

Bethlehem Mayor on Sharon, Arab-Jewish Relations
(Avraham Rabinowich; POST, 10 Jul 81) 59

Arabs Polled on Views on Jerusalem
(POST, 6 Jul 81) 60

New Settlements To Be Established in West Bank
(Tehuda Litani; HA'ARETZ, 10 Jul 81) 61

Economic Statistics Reported for May, June
(Shlomo Ma'oz; POST, 3 Jul 81) 62

Briefs
West Bank Waterworks 64
New Gaza Strip Settlements 64
Illegal Samarian Settlement 64
W. Bank Building Plans 64
Lessening Arms Dependence 65
Electricity Agr' in Samaria 65
Center Party Proposed 65
Settlements Center Near Ramallah 66
Immigration From USSR 66
Druse Teachers Punished 66

Road to Samaria Settlement 66
Settlers in Yamit Strip 67
New Golan Heights Settlement 67
Lebanese Christians Aid 67
Gaza Official's Restrictions 67
W. Bank Mayor Fired 67
Return to Yamit Opposed 68
Liberals Oppose Return Law 68
Druse Students in Golan 68

JORDAN

Supreme Soviet Peace Call Supported
(Amman Domestic Service, 4 Jul 81) 69

KUWAIT

Kuwaiti Press on Lebanese, Mideast Crises
(KUNA, 8 Jul 81) 70

Kuwaiti Paper on USSR Mideast Presence
(Editorial; AL-QABAS, 6 Jul 81) 72

Kuwaiti Paper Comments on Consequences of Israeli Elections
(Editorial; AL-QABAS, 4 Jul 81) 73

Briefs
Aid Payments 74
Arab Aid to PDRY 74

LEBANON

Armed Manifestations in Beirut Reported
(Beirut Voice of Lebanon, 13 Jul 81) 75

Haddad Accuses Qaddumi of Planning Khadir Murder
(Lebanon Voice of Hope, 7 Jun 81) 76

Interview With Lebanese CP Leader
(Georges Nawi Interview; Budapest Domestic Service, 5 Jun 81) 77

UNIFIL's Callaghan Interviewed by Israeli Paper
(Me'ir Nare'uveni; MA'ARIV, 30 Jun 81) 79

Briefs
Muslim Training Course 80
Israeli Products Appear 80

LIBYA

U.S. Stance Toward Libya Criticized
(Editorial; AL-ZAHF AL-AKHDAR, 19 Jun 81) 81

Transformation Plan Aims at Improving Development Projects
(JAMAHIRIYA MAIL, 13, 20 Jun 81) 83

Briefs
'Ubaydi Interview on Sahara 88
Oil Exports Down 88

OMAN

PFLO Communique on Recent Military Operation
(Aden Voice of PFLO, 27 Jun 81) 89

QATAR

American Majors Withdraw From Qatari Gas Project Tenders
(AR-NAHAR ARAB REPORT & MEMO, 29 Jun 81) 91

SAUDI ARABIA

Nation Purchases More German Bonds
(AR-NAHAR ARAB REPORT & MEMO, 22 . : 81) 92

Nation's Energy Needs During 1980-85 Plan
(AR-NAHAR ARAB REPORT & MEMO, 22 Jun 81) 93

Hospital Development Plans Aid Management Firms
(AR-NAHAR ARAB REPORT & MEMO, 22 Jun 81) 96

Briefs
Raise in U.S. Stake 98

SUDAN

Cabinet Discusses a Variety of Economic, Political Issues
(SUNA, 5 Jul 81) 99

'VOP' Cites 'AL-SAFIR' on Internal Situation
(Voice of Palestine, 21 Jun 81) 100

Kordofan Achievements in Services, Provisions Outlined
(AL-ATYAM, 22 May 81) 102

Kordofan Minister Reviews Financial Situation
(Al-Fatih al-Tijani Interview; AL-ATYAM, 22 May 81) 106

Central Region Development Discussed
('Ali Muhammad al-Hasan Interview; AL-ATYAM, 20 May 81) .. 110

Dependence on Egypt Discussed
(AR-NAHAR ARAB REPORT & MEMO, 1 Jun 81) 115

Briefs
Former Opposition Leader Dies 117
Numayri Chairs Cabinet Meeting 117
Chad Embassy Explosion Arrests 117
Bulgarian-Sudanese Friendship Society Established 118
Loan for Petroleum Projects 118
Arab League to Cairo 118
Agricultural Projects 118
Improper Sale of Seeds 119
Women's Role in Development Urged 119
Plan To Combat Desert Encroachment 120

SYRIA

Briefs
Clashes in Aleppo 121
West Bank Students Accepted 121

UNITED ARAB EMIRATES

Oil Engineers' Training School To Open in the UAE in September
(AS-SAHAR ARAB REPORT & MEMO, 29 Jun 81) 122

Briefs
Dubai Water Project 123

YEMEN ARAB REPUBLIC

Briefs
Insurgents Clash 124

PLO'S 'ARAFAT LEAVES KUWAIT, MAKES STATEMENT

JN011940 (Clandestine) Voice of Palestine in Arabic 1845 GMT 1 Jul 81

[Text] Brother commander Abu 'Ammar [Yasir 'Arafat], and brothers Abu Iyad [Salah Khalaf] and Abu Shakir [Rafiq an-Natshah], Fatah Central Committee members, left Kuwait at 1630 today.

They were seen off at Kuwait International Airport by Hamad ar-Rujayb, minister of housing, social affairs and labor [title as heard]; brother Abu al-Adib [Salim az-Za'nun], Fatah Central Committee member; and the director of the PLO office in Kuwait.

In a statement prior to his departure, brother Abu Ammar said: I held important talks with Kuwaiti officials on the current situation and developments in the Arab region, particularly in light of the Israeli military escalation following the air raid on the Iraqi nuclear reactor and the effect of this on Arab national security.

This is all because this raid was carried out with U.S. agreement, arms and technical aid, this behooves us, as an Arab nation passing beyond this grave and strategic turning-point, to unite our ranks and words in the confrontation of the vicious onslaught and the dangers threatening our nation, its fate, future and existence.

Brother Abu 'Ammar said: I found his highness the Kuwaiti amir, very responsive, which will bolster the comprehensive, united and responsible Arab stand. I also held talks of similar significance with his highness the heir apparent on Palestinian-Kuwaiti relations and the need to bolster and strengthen these relations, particularly since these relations are meeting attempts to undermine them.

As usual, I sensed support and love from their highnesses the amir and the heir apparent, which is in the interest of the Palestinian issue and reflects concern for the relations which are special to the Palestinian people and their armed revolution. Brother Jabir as-Sabah, the Kuwaiti amir, affirmed his country's support for the Palestinian people's issue and the Palestinian revolution.

Brother Abu 'Ammar added: We affirmed to their highnesses the amir and the heir apparent our concern in the PLO over these relations and all that bolsters these relations, while denouncing any attempts to harm or create confusion and disturbances in fraternal Kuwait, with which we Palestinians are indeed proud of our special relations with.

In reply to a question on Saudi-Palestinian relations, brother Abu 'Ammar said that these relations are strong, adding: I held positive and constructive talks with His Majesty King Khalid and His Highness Crown Prince Fahd which included the Arab and Palestinian situation in light of the present grave circumstances through which our Arab nation is passing.

CSO: 4304/53

PALESTINIAN MAGAZINE VIEWS NEED FOR SUMMIT

JN2301923 (Clandestine) Voice of Palestine in Arabic 1540 GMT 28 Jun 81

[Excerpts] In an editorial entitled "Who Is Trying to Escape an Arab Summit Conference?" the magazine FILASTIN ATH-THAWRAH says in its issue to be published on 29 June:

An Arab summit, after all that has happened, is required, necessary and urgent. Why is such a conference not convened and why are popular and official Arab voices not raised, calling for being up to the level of the pan-Arab and historical responsibility? Do the Arab regimes dare swallow all these defeats and insults to themselves and the nation without finding enough justification for convening an Arab summit?

The Israeli war of annihilation against the Palestinian people is no source of pride to any Arab regime. Moreover, the killing of a Palestinian child in the ar-Rashidiyah and the al-Burj ash-Shamali camps by the missiles of Zionist terrorism is a curse following every one of them who rescinds an Arab decision that could, by virtue of unifying Arab ranks, spare the Palestinian people from this continuous war of annihilation to which the Arab regimes have become accustomed. It is as though Palestinian blood is the sacrifice that must be paid by our people to cover up the decision not to fight made by Arab regimes.

Why an Arab summit following the attack against the Iraqi nuclear reactor? The Arab masses may find that more wondering provokes anger. Why, then, are our Arab leaders not content to merely wonder, but actively avoid even answering the call for a summit? The question now is: Have pan-Arab action and Arab unity become a danger to the policies of Arab entities?

The truth is that if the Arab regimes do not move, particularly now that the Iraqi nuclear reactor has been attacked, they will have sentenced themselves to death. The humiliated Arab masses want a responsible Arab summit to preserve their dignity.

With reference to the current call for an Arab summit, a call being led by leader of the Palestinian revolution Abu 'Ammar [Yasir 'Arafat], we note that several Arab regimes are trying to demur and are claiming that the call is futile as long as Arab differences rage on. On the other hand, they are not offering any alternative for confronting Israel. Confrontation requires the use of Arab weapons instead of wagering on the friendship of Washington.

The Arabism of certain regimes is, in reality, an incomplete, immature Arabism--by Arabism we mean giving priority to defending the existence and cause of the Arabs. The best explanation of this strange phenomenon is that the regimes shirking their pan-Arab responsibility are direct agent regimes of the United States.

However, these very same regimes participating in the Khartoum summit conference, agreed to an Arab oil embargo and actually stopped exporting oil during the October War of 1973. These regimes also agreed to very important pan-Arab decisions on the historical and international levels.

The oil boycott decision of 1973 was the first successful confrontation between the Third World and the industrialized countries. The Arabs were definitely victorious. We do not think it appropriate here to discuss details of how this Arab decision and others were undermined when the regimes reverted to practicing their regional policies.

The absence of an effective Arab leadership may give us some explanation for the shirking of the Arab regimes of their pan-Arab responsibility in spite of the urgency and priority of this responsibility.

The Arab economic-oil leadership has not yet arrived at the level of political leadership acceptable at the Arab level. This leadership plays an important role in moving the policies of Arab regimes in negative directions which are not pan-Arab.

Due to its links with international monopolies and its industrial and technological backwardness, this Arab economic-oil leadership lacks initiative. This leadership creates behind the scenes to avoid being exposed. A leadership which is so fearful and hesitant is incapable of assuming a leading role on the pan-Arab level because it is afraid of such a role and even shuns it.

Pan-Arab leadership is not linked to wealth and economic prowess, but is linked to the pan-Arab objectives which exist but which lack quarters to achieve them on the pan-Arab level.

We are now left with determining the role of steadfastness and confrontation as well as Iraq in working toward Arab solidarity.

The steadfastness front was established because solidarity was absent. Now, the progress of solidarity is slow and so negative. What has turned the movement of solidarity, which is more active, into a movement which slowly and negatively supports solidarity?

There are those who tell us that solidarity measures, with their immense potentials, make it wrong to push for an Arab axis, which may deepen Arab differences and conflicts. However, does this entail unanimous abandonment of the pan-Arab role, which will not be practical unless there is unity of action by several Arab regimes?

The steadfastness front was an incentive for the Baghdad summit conference following the camp David accords. Will the absence of an incentive contribute toward initiating action toward solidarity?

We reject Arab fragmentation on whatever basis and regardless of any excuses or justifications. We believe that the Arab entities are not all governed by the same laws and local and international conditions. Hence, those of them who are most damaged and most progressive ought to take the pan-Arab initiative.

Will we hear that the steadfastness front has set in the process of Iraq to take a simple decision to call for an Arab summit in light of a pan-Arab progress which will put all Arab weapons at the service of the confrontation battle?

[illegible] O'Neill

[illegible]

PLO RECEIVES FRG SUBMARINE--Paris, [illegible] for [illegible]--A submarine built in West Germany for the Turkish navy ultimately reached the PLO. This is disclosed by the Paris news weekly, VSD. According to the weekly, four submarines of the "209" type were built in the FRG for Turkey. The German report that Turkey has sold one of the submarines to Libya, which in turn transferred it to the PLO. The said submarines are 56 meters long, have 31 crew members and carries eight torpedo tubes. The French weekly writes that until the investigation is concluded, the FRG Foreign Ministry has ordered all discussion of additional military aid to Turkey suspended. [Text] [Hid'no Ortal] [TA0305Z] Tel Aviv HAYAD in Hebrew 3 Jul 81 p 1]

EGYPT-UAE LABOR AGREEMENT--In a move to coordinate further labour movements in the Arab world, the UAE and Sudan last week initialed a cooperation agreement regulating the recruitment of Sudanese workers in the Emirates. The agreement provides recruitment procedures and facilities. It requires that the conditions and terms of recruitment be defined on the basis of individual contracts between workers and their employers. These contracts will, moreover, be under the supervision of the UAE Ministry of Labour and Social Affairs. It is estimated that [illegible] per cent of the active population of the UAE is made up of immigrant workers, and that around 20 per cent of these are of Arab origin. [Text] [Beirut THE ARAB WORLD WEEKLY in English 9 May 81 p 15]

CSO: [illegible]

MAJOR ISLAMIC RELIEF COMPANY ESTABLISHED

London M (BY) in English 11 Jun 91 No 21 p 1

[Text] [illegible] of Islam (ISRA), a major Islamic banking company that aims to consist up to 50 financial companies operating along Islamic principles, was officially launched last week in Kuala Lumpur. Prince Mohammed al-Faysal al-Sa'ud, chairman of the Islamic Development Bank (IDB), is also to have a major regional role. Prince Mohammed is also the chairman of the Islamic Banking Council of Malaysia, the body responsible for overseeing the development of Islamic banking in the country.

[illegible] of Islam is the brainchild of Tunku Abdul Rahman, son of Malaysia's first prime minister. Tunku Abdul Rahman is also the chairman of Malaysia's Islamic Development Bank. The new company will provide [illegible] for the establishment of Islamic banks and companies in Malaysia and elsewhere in the world. It will also

NEW ISLAMIC MONTHLY MAGAZINE

London 9 DEC 81 in English 11 Jun 81 No 11 pp 38-39

(Text)

[redacted]

GUERRILLAS SLAUGHTER AFGHAN MILITARY CADETS

Karachi BUSINESS RECORDER in English 1 Jul 81 p 1

[Text] New Delhi, 30 Jun--A 600-man force of Afghan soldiers overrun in a recent two-day battle with insurgents, and an estimated 300 military cadets dispatched to help the soldiers were killed, a report reaching here on Monday from Afghanistan said.

The Afghan army unit was surrounded by the anti-Marxist guerrillas as it travelled in convoy along the main highway, some 30 kilometers south of Kabul. Despite Soviet air support the soldiers were overcome the next day, said the report from a source who has been accurate in the past.

The source quoting travellers arriving in Kabul, said some of the Kabul soldiers were captured and some killed, while others might have defected to the insurgents. Four Soviet tanks and eight other armoured vehicles were among the weapons captured by the insurgents.

Unarmed generals in Kabul dispatched the third and fourth-year classes at the military academy there to assist the trapped Afghan unit, the report said. They left Kabul backed by Soviet advisers and an unspecified number of paramilitary members of the Afghan communist party, and armoured vehicles.

When the 300 cadets reached the battle site, the guerrillas told them not to fire. The students pelled back that they had been forced to come there and did not want to fight, the report said. When the Soviet advisers were given a translation of what the cadets had said, they order the youths to begin firing, and then shot at the students when they balked. This caused the guerrillas to open fire on the group, the source added.

An estimated 300 of the military students were killed in the fighting, said the source. A number of Soviet troops, and guerrillas also were killed but no estimates of the number was available. More than a dozen tanks also were destroyed.

The Afghan force had been en route to Kabul from Gardez, about 130 kilometers to the south, to reinforce units in the capital coming under increasing attack by guerrilla units, the report said.

More than 4,000 Afghan troops and police officers now have been brought to Kabul from the provinces to bolster security. The poorly trained paramilitary party members have in turn been sent to the provinces to maintain order, the source said.

Diplomatic reports reaching New Delhi also have said in recent weeks that additional forces were being rushed to Kabul to cope with an upsurge in guerrilla activity in the capital and its environs, including the old summer capital of Paghman, 20 kilometers to the west.--AFA.

cso: 4600/58

BAHRAIN OIL: SATISFYING ALL PARTIES

London MEED in English 13 Jun 81 No 23 pp 44-45

[Text] YUSUF SHIRAWI, minister of planning and industry and a member of Bahrain's new Supreme Petroleum Council, refers to the island's oil field as an old man who's taken a lot of beating. After almost 50 years of production, about 47 000 barrels a day are raised and applied to the surface with some of the most sophisticated recovery techniques used anywhere in the world.

It would be unfair to make quite the same comparison of the oil industry itself. It has hardly taken a beating. Nevertheless, its ownership and organisation have had to endure radical and sometimes severe organisational changes in recent years.

The changes since the late 1970s have been aimed at not just a transfer of ownership — though this had itself become a political imperative by 1979 — but rather a total sharing of operational responsibilities in keeping with the Bahrainisation of all the other sectors of the Gulf state's economy. To avoid any deterioration of the industry or any diminution of the goodwill which has generally characterised its past development, new techniques in particular have been used to good effect.

Clear, mutual shifts of responsibility have been happily combined with some gradual and informal arrangements providing time for a necessary exchange of technical expertise. Second, the government decided during 1980 to split the complex functions of the emerging petroleum industry among a number of different companies.

To date these techniques appear to have served well. Bahrain's industry has emerged from a difficult phase with what one senior executive in the Gulf has described as the happy relationship between government and company all moves to be found anywhere in the region. This should ensure the continuing participation — which is still technically vital — of Caltex Petroleum. A joint endeavour of Chevron and Texaco, through the 1930s Caltex built up in Bahrain the first of the Gulf oil industries.

Caltex originally owned the whole industry, that is both the oil field assets and the Sitra refinery plant (built in 1937), through its subsidiary company, Bapco. Steadily climbing royalties and then actual equity investments gradually transferred ownership of the oil field to the government, a process which was completed in December 1979.

Ownership of the refinery was the next issue. But the government has certainly accepted the principle of leaving Bapco with a 40 per cent stake in the plant — just enough to deter Bapco's parent organisation from wanting to pull out altogether.

Under a final agreement which was only signed on 4 May this year, it owns 60 per cent of a new company — colloquially called Bapco BVI — which has now emerged with its new legal status finally settled, and has taken ownership of the refinery with effect from 1 July, 1980.

In all likelihood the government's 60 per cent equity share is to be held by the ministry of finance. Bapco BVI is chaired by the minister of planning and industry and has a board of six directors, six from the government and four from Caltex. Caltex will be compensated for its lost equity and will have the refinement of future refining profits — and it will have avoided the

provincial enhancement of spreading the benefits by having Bahrain in the lead. (Both Chevron and Texaco are the owners of Aramco.)

As a part of the deal, Caltex will continue to provide the Bahrainis with operational expertise where they require it. This certainly means enabling Bapco BSC to run a tighter ship and has also given reliance to the view that the imminent marketing appearance of Caltex's parent companies at the disposal of Bahrain to help it market any part of the government's 60 per cent share.

In addition, a more indispensable assistance from Caltex provides experts — most of them, as ever, from Chevron — in the maintenance of the onshore oil field and the new, recently improved Khuff gas field.

When the oil and gas assets were consolidated in 1979, it was indicated that the Bahrain National Oil Company (Banoco) would have formal responsibility for, among other things, all onshore production.

Banoco now has two additional roles. First, it takes 5 per cent of the refinery's output and markets it locally while Bahrain Second, it will control the offshore exploration — and, if it certainly happens, production — activities which have just begun with the launching of a 12 month $4m seismic exploration programme operated by Western Geophysical of Houston.

The company's own reports say the Chevron farm-in has 50 to 60 per cent of which (in the view of all parties) will be commercial. The company will look for operational success over one. It is understood that Chevron no longer wishes to be considered for the contract — indeed its highly placed staff have yet to sign their contracts with Banoco workers — and finding another partner will be a major task for the Bahrain company in 1982.

In line with the diversification policy of the Supreme Council, Banoco's role expands no further. Different ideas were held when the company was set up in 1979. The government's reappraisal was heralded in April 1980, when the management of Bahrain's stake in an unconnected petrochemicals joint venture was assigned not to Banoco, but to a new company, Gulf Petrochemicals Industries Corporation, under the chairmanship of Tariq al Maayed. The reappraisal was finally confirmed this March by a change in Banoco's corporate charter. One result is that Banoco will be selling its remaining oil and gas assets to separate Bahrain companies.

The gas assets consist of certain associated with crude oil production, and the higher quality output of the deep Khuff gas field. Both are sold to Banogas, which is 75 per cent owned by Banoco.

Banogas feeds most of the natgas into the domestic distribution system which is to be an increasingly important resource for local industry. (Already Alba consumes 83 per cent of its energy needs from this source.) But some of the natgas is liquefied and sold to Caltex, the first shipment was made in March 1981.

The volume of natural gas purchased from the Khuff field varies between 70 million cubic feet per day in the winter to 110 million cubic metres in the summer. It is at present distributed as Bapco BSC (which takes 2.5m cubic metres per day, all the year round), Banoco and the power stations (whose consumption exploits the seasonal variations).

The future exploitation of the Khuff field — with reserves estimated at 2 trillion cubic metres — is of enormous importance for Bahrain's development. There are those who would like to see an LNG plant built and a major export industry developed in the next few years. Others — and they include Banoco — would prefer to see such a potentially valuable asset husbanded more carefully to contribute more to Bahrain's long term future.

Banoco's crude oil is sold to the open. The Supreme Council expects this and the additional purchase of 100,000 barrels a day from Saudi Arabia's Petromin. This provides for the state's 60 per cent contribution to the refinery's crude. Caltex provides the remaining 40 per cent, supplying it from Aramco. The refinery's nominal capacity is 231,000 b/d.

The expansion of the refinery's output is rather less straightforward. Last year the refinery exported to more than 30 countries and can include up to 11 different products. Caltex handles its own share, but in addition it agreed last summer to market the government's share as well. This has left Caltex accountants in New York and the old Bapco offices in Bahrain with a complex task, dividing the end-profits on the appropriate pro rata basis. The government has undertaken, however, to simplify its own marketing.

The Kuwait petroleum authorities have strongly encouraged the Bahrain Petroleum Company to develop its new marketing capacity as quickly as possible in the present climate. A wholesale marketing unit has been set up with a number of ex-Aminoil employees operating directly in Bahrain.

Indeed, Kuwait has played an even more direct role. Last October, the Bahrain government decided that it would like to handle some part of its 50 per cent share of refined output itself, rather than gave the whole amount to Caltex. It was able to do this by relying instead on the Kuwaiti marketing network.

The refinery's trading and shipping arrangements were made more complicated — some quality changes were required to the Bahrain output — but the adjustments are smooth, and in December when output was raised to 70,000 b/d the Kuwaitis marketed 47,000 b/d on Bahrain's behalf. They have indicated their readiness to expand their role as Bahrain requires.

CBD. 4300/41

[illegible] COMMENTS ON KHOMEYNI ATTACK ON MUJAHEDIN

PM011019 Paris LE MONDE in French 2 Jul 81 p 1

[Dispatch by Erich Rouleau: "Imam Khomeyni Accuses the Mujahedin"]

[Text] Tehran--Imam Khomeyni's verdict has fallen like a guillotine: He has formally pointed to the Mujahedin-e Khalq as the authors of the outrage which cost the lives of at least 72 figures in the Islamic Republic last Sunday. The accusation, contained in a "message to the nation" issued Tuesday 30 June, surprised most observers. True, the campaign against the Monafeqin (the hypocrites) was in full swing, but no official had gone so far as to accuse Mr Mas'ud Rajavi's party by name. The investigation was said to be making little progress. On Tuesday morning Mr Behzad Nabavi was remaining prudently vague, stating that the massacre was the work of "groupings."

The Imam swept doubts and scruples aside. In unusually violent terms he denounced the Mujahedin as a "gang of professional assassins in the pay of the superpowers." "These self-styled Mujahedin (fighters) of the people have killed 72 men who were serving the people. They declared themselves hostile to Ayatollah Beheshti, and they took his life. But did they also have to assassinate 71 innocent people, unless they were themselves enemies of the people in the service of foreign plunderers?"

A reliable source assures us that this "message to the nation" was composed not long after the Imam received a detailed report from the security service, whose investigation had reached its initial conclusions. The authors of the outrage, according to this report, secured the complicity of employees of a disused school, and took advantage of this to "plant" large explosive charges of some 30 kg in a dividing wall between the school building and the building housing the headquarters of the Islamic Republican Party.

This wall ran alongside the huge conference hall where the country's ruling elite was gathered. The school employees who acted as assistants to the authors of the attack were "good Muslims" who passed themselves off as Islamic Republican Party sympathizers.

The security services claim to have a recording of a telephone conversation in which a Mujahed under surveillance examined, not long after the deed: "We have succeeded in killing Beheshti!" It seems that other tapes are equally damning for Mr Mas'ud Rajavi's grouping. Even before the outrage the Pasdaran services (the guardians of the revolution) had seized a secret document attributed to the Mujahedin, naming 13 people to be killed.

Among them were Mr Lajevardi and Mr Rashti, respectively prosecutor of the Tehran revolutionary courts and director general of Evin Prison. The latter was shot Monday 29 June as he was crossing the prison gardens with Mr Lajevardi. The Tehran prosecutor narrowly escaped death by hiding behind a bush.

As of Wednesday morning [1 July] the authorities had given no information on the circumstances of the attempt on its author, but observers recall that the Mojahed, central organ of Mr Bahavi's party, had been campaigning for months against Mr Rashti, who was accused of mistreating political prisoners, and also against Mr Lajevardi, who has been responsible for hasty trials which have sent many prisoners to the firing squad.

The Funeral of the 72 "Martyrs"

The worst would have happened if Imam Khomeyni had issued his "message to the nation" before the funeral of the 72 "martyrs" Tuesday morning. In view of the anger of the huge crowds which followed or preceded the funeral cortege, the ceremony would have run the risk of degenerating into a kind of St. Bartholomew's massacre against the Mojahedin. Estimates of the number of demonstrators vary from one source to another. On Wednesday morning the press did not hesitate to name the figure of 5 million; journalists who were in front of the parliament building, from where the caskets set off, estimated the crowd at several hundred thousand.

In fact the figure is much higher if you count the men and women who set off for the Behesht [Zahra] cemetery from dawn onward, by car or bicycle or on foot. By mid-morning the road, some 20 km long, was thick with people and no longer passable. Part of the funeral cortege found its way blocked and had to retrace its steps, while about 20 caskets, including that of Ayatollah Beheshti, were taken back to the Tehran Mortuary by circuitous routes. The former strongman of the Islamic Republican Party and his companions in misfortune were to be buried Wednesday with the greatest discretion.

However, this extraordinary throng of people has not reassured all officials. One told us Tuesday evening that the situation remains disturbing all the same. The Islamic regime, he told us, is certainly firmly installed. But the Mojahedin-e Khalq, who became practiced at urban guerrillas under the Shah, have considerable stocks of weapons, many fighters who have been trained in Palestinian camps, engineers specializing in explosives and "professional terrorists" recently recruited.

The official reluctantly admits that the Mojahedin constitute a popular movement which has aroused progressive aspirations among a considerable section of the population who remain Islamic. "The ordinary activists," this high official noted, however, "are certainly sincere Muslims, but they will soon realize that their leaders have misled them prior to leading them onto the path of counterrevolution, for the greater good of the United States."

The Mojahedin-e Khalq, for their part, have been silent for the last 10 days. Their sympathizers, who had been slipping pamphlets under the doors of the special correspondents of the International Press at dead of night, are giving no sign of life. This total secrecy is doubtless dictated by their fear of bloody repression. The prevailing climate in Iran is conducive to this. But who will gain from the bloodshed, or indeed from an embryonic civil war? The debate is open, we are told, in the highest organs of the Islamic Republic.

CSO: 4820/8

COMMENTS ON EXECUTIONS IN COUNTRY

BCDR/JOS (Clandestine) Voice of Iran in Persian 1805 GMT 7 Jul 8

[Text] Khomeyni's radio network reported that during the past 24 hours, 37 more compatriots were executed by the tyrannical regime. Of these, 23 were murdered in Evin Prison by Khomeyni's executioners while the remaining 6 were executed by firing squads in Bari and Mashhad. Khomeyni's radio said that the executed people were members of the Mojahedin's Khalq Organization. During the past 2 weeks the executioner's regime has executed over 130 of our compatriot youths on empty charges. The shaky and frightened clerical regime has started a mass murder to terrify the patriots and strugglers for Iran's salvation.

Dear listeners: You are well aware that during the past 2 1/2 years, each time the rule of these mullahs has reached the edge of the precipice, they find an excuse each day for impudently executing Iranian patriots on ridiculous charges such as spying, contact with foreigners, possessing drugs, waging war against God and spreading corruption on earth. Now that the ruling mullahs see that the end is near and fear for their lives, they have once again started their murdering on orders of their foreign master.

Less than 3 hours after the illegal execution of patriots in Tehran and the provinces, the Gilan governor general, Mohammad Ansari, was assassinated in Rasht. Eleven bullets were fired at the car transporting him and his deputy. Mohammad Ansari died on the way to the hospital while his seriously wounded deputy is still in hospital.

Behzad Nabavi, who claims to be the spokesman of the so-called Islamic regime of Tehran, announced from the voice of the mullahs that the government has identified the assassins of the Gilan governor general. This small boy's remarks are tattered now, because how can the shaky Tehran regime, that finds it difficult to see what is in front of it, think that it can terrify the people by saying that it has identified people who are murdering the tyrants?

We do not encourage murders and killings, but we have repeatedly said and say again that you irreligious turbaned men should fear the revenge of the Iranian nation, which for the past 2 years and some months has tolerated your injustice, oppression and plunderings by the bearded and unbearded opportunists. It is the hand of divine vengeance that is now settling accounts with you irreligious people.

With the death of the governor general the mullahs have declared an official holiday and a 3-day mourning in Rasht. Apparently the mullahs seize any pretext to declare a public holiday in order to escape the nation's vengeance. We foresee many holidays in Iran in the next weeks.

CSO: 6640/31

'CLANDESTINE RADIO' PROMOTES MONARCH'S RETURN

[illegible] (Clandestine) Voice of Iran in Persian 1805 GMT 10 Jul 81

[From the press review]

[Text] The Paris-based publication IRAN-E AZAD writes in an article entitled "Monarchy--The Only Way to Deliverance": the terrible shadow of civil war has been cast over Iran. If national forces do not come to their senses soon enough and declare unity and solidarity with the constitution and a constitutional monarchy, the only thing that will remain of Iran will be its name.

The masses now want the return of the monarchy, because they know very well that the Islamic or, better yet, non-Islamic republic is leading Iran to partition and annihilation. Iran's racial and geographic (?specialities) are such that only the monarchy can ensure its stability and independence. It is this factor that allowed the monarchy to last 25 centuries in Iran. No system in the world could have lasted 2,500 years with the help of the bayonet, especially since during these centuries the monarchy has many times suspended for a short time because of attacks by foreign races or domestic difficulties only to be very quickly reestablished because of the people's wishes and efforts. The best such example can be seen after the defeat of the Sassanid dynasty. Even though most of the people of Iran ("made this happen"), nevertheless they once again realized after a while that they should try to reestablish the monarchy in order to regain their lost independence.

In the history of Iran, each time that the central power was removed instability and chaos followed, and then the people once again reestablished the monarchy. The present calamity shows how a republic brought to power indigent opportunists who are merely interested in power and not in Iran.

The publication then lists the crimes committed by the Islamic Republic, including the war with Iraq, and writes: Nowhere in history and nowhere in the world has such a monster ever gained power and expressed happiness with such impudence at the destruction of the people's youths. Even Hitler's SS troops, who are the most infamous criminals in the history of mankind, took part in the war but did not do as these wicked people do--be protected by foreign bodyguards and not allow even civilians to evacuate cities under enemy attack.

Some time ago one of the newspapers affiliated to the regime published a picture of a 10-year-old boy who had taken up a position next to his father who was one of the civilians of Khorramshar. This picture is itself the best proof one can have of the crimes committed by Khomeini's rule. Even Hitler exempted children from fighting. While thousands of big-bellied mullahs and religious students are feasting, 10-year-old children are being sent to the front to be martyred, and then they boast that all these children are insisting on being martyred for the Imam.

(Illegible) on you and on all those who have brought Khomeini to power and brought upon a happy and prosperous country death, captivity and annihilation.

(Illegible)

'[illegible] RADIO' CRITICIZES LINKS WITH U.S., UK

[illegible] (Clandestine) Free Voice of Iran in Persian to Iran 1430 GMT 11 Jul 81

[Text] Ghoyeh Mashkini, who is replacing Montazeri in directing the political play of Friday prayers in Qom, has condemned Britain and its oppressive policies in his sermon. While the wave of unrest and dissatisfaction can be seen throughout our country and Khomeyni's bloodthirsty regime is killing youths everyday because of their love for freedom, Ghoyeh Mashkini is [illegible] an anti-British stance), or in other words a stance against his masters and thus hoping to remove the conviction that the mullahs are made and polished by Britain.

Ghoyeh Mashkini--who considers the anti-Islamic Tehran regime an Islamic regime--is apparently unaware that with its 1-billion pound sterling agreement Khomeyni's regime saved Britain's bankrupt companies. It seems he is also unaware of the counterrevolutionary history and of the links that existed between some opportunist mullahs and the British for sov. Apparently the clerical regime deems it necessary to hide the yoke of the clergy's subservience to their master Britain from the Iranian people and to resort to words and empty slogans, claiming that they have nothing to do with Britain. But this is a tattered policy and the people now know the liars and imposters.

A Free Voice of Iran correspondent reports that officials of Khomeyni's regime published documents showing Beni-Sadr's links with U.S. officials in their confiscated press daily. Beni-Sadr, who is in Kurdestan, has not yet replied to these accusations. However, political observers say that the clergy took the first step and published documents on Beni-Sadr's links with the United States before Beni-Sadr unveiled the links between the clergy and Britain and their collaborations with the colonialist British and U.S. officials. We should now wait and see what Beni-Sadr's reaction will be to this and what documents he will present to [illegible] prove the links) between the overseas-manufactured mullahs and their role in the destruction of Iran.

[illegible] 6046/12

SOVIET FORCES 'MASSING ON AFGHAN-IRAN BORDER'

PM211550 London AL-SHARQ AL-AWSAT in Arabic 2 Jul 91 p 3

[Report by Shahid Qrabi: "Sources of recent events in Iran Soviet Union Moves Its Forces on Afghan-Iranian Border"]

[Text] Islamabad--Well-informed sources have told AL-SHARQ AL-AWSAT that the Soviet forces have begun to strengthen their positions along the Afghan-Iranian border following the developments which Iran witnessed last week. The sources said major military movements to strengthen Soviet positions were seen inside Afghanistan and that at least two Soviet mechanized divisions have moved to the provinces of Herat and Farah bordering Iran.

The sources added that the Soviet move came immediately following the developments that led to the ouster of President Rafsanjani and that the Soviets have chosen for the movement of their forces a usually quiet road that crosses the provinces of Farah, (Shaghin) and Jowzan because traffic on the Qandahar-Herat road is blocked as a result of the fierce fighting that has been going on for several weeks between the Afghan Government forces and the Mujahidin.

Reports received in Pakistan's Baluchi Province said that squadrons of Soviet aircraft and Soviet armored units have also arrived at (Shahtitishani) air base in Herat Province. Thus the Soviet forces will be only 40 km from the Iranian borders. The sources said that the air base in question is the command headquarters for operations in the area.

The sources said that a number of Afghan army units have been called to Kabul in the past 2 weeks to ease pressure on the Soviet forces in the Afghan capital and enable these forces to deploy along the Afghan-Iranian border within the framework of a large-scale emergency operation.

Observers noted the absence of Soviet forces from the Afghan capital last week when the government was forced to send 500 military trainees to relieve an Afghan army unit which was engaged by Mujahidin forces 50 km south of Kabul. The sources' comment on this event was that it is normal in ordinary conditions to send a Soviet unit to carry out the task.

On the other hand, groups of Mujahidin in Afghanistan have warned of the possibility of Soviet intervention in Iran particularly since the Islamic Republic Party has announced its resolve to crush the communists. It is recalled that a number of the Iranian Communist Tudeh Party members hold senior posts in the Soviet administration in Afghanistan.

CSO: 4600/1

'LE MONDE' ON IMMEDIATE AFTERMATH OF TERROR BOMB

PM020911 Paris LE MONDE in French 20 Jun 81 pp 1, 3

[Dispatch by Edith Boulouque: "Tehran Attack has Decimated the Islamic Republic Party Directorate"]

[Excerpts] Tehran--The ultimate circle of violence which has opened since the start of the Islamic revolution has entered a critical phase. The particularly violent attack perpetrated on the evening of Sunday 28 June against the ruling Islamic Republic Party [IRP] headquarters will probably have extremely serious consequences. Around 100 people belonging to the ruling elite were killed or wounded. Most observers see this as heralding civil war or, at least, bloodbaths.

The Islamic republic's enemies aimed at the very nerve-center of the regime with unerring competence. At 2100 hours precisely (1930 hours Paris time) a series of explosions which lasted less than 1 minute reduced to a heap of rubble the imposing building, packed with people, which housed the IRP's various departments. The attack took place during a party leadership committee extraordinary meeting chaired by Ayatollah Beheshti and attended by official cadres from various provinces, several government members including Prime Minister Raja'i, the governor of the Central Bank, some under secretaries of state and around 50 deputies, all very close to Imam Khomeyni. The meeting had been kept secret for security reasons....

The Islamic Republic's main leaders were to take decisions on the country's future in various spheres. The agenda included, in particular, the official nomination of a candidate for the presidency of the republic, steps aimed at ending the terrorist actions which had increased over the past few days, the country's economic and financial situation and the bill on the functioning of political parties. A consensus had already been reached on the last point before the session was held. Several leading figures had said on Friday that several Islamic and non-Islamic parties would soon be legalized. The Tudeh Communists, the Fedo'in (the majority faction), and the Mojahedin, among others, were to benefit under the law, as were told, because they had promised to respect the country's constitution and above all because they had not taken up arms against the republic. [Passage omitted comprising interview with Hojjat-ol Eslam Mohammad Montazeri prior to his death in the bomb attack].

If the attack had been coordinated with a plot within the armed forces the Islamic Republic would have been in grave danger. For a few hours the country was in danger of getting out of control: its main leaders killed, injured or stunned by the scope

of the catastrophe, would not have been capable of reacting promptly to an insurrection. Aristides Benedetti, the strongman of the regime, who virtually controlled the legislative, executive and judicial branches, had just died; several members of the government had been killed or injured; almost one-third of the deputies—the most "combative" deputies in parliament—were buried, alive or dead, under the debris; Ignatius Ratcomjani, the assembly's speaker, narrowly escaped death. For some unknown reason he suddenly left the chamber just a few minutes before the IRP headquarters collapsed.

The potential threat to the regime was taken seriously, at least by the leaders of the Pandaran and the Islamic Coalition. Well before the news of the attack was announced explicitly on the radio, the militia had spread out in the middle of the night to take up positions on the main roads and around the city's strategic points, their fingers on the triggers of their machineguns. Lights quickly appeared in the official buildings. Pedestrians were searched, questioned and told if their identity papers were not in order.

This Monday morning Prime Minister Raja'i called on the population, on the one hand, to denounce any movement which might appear suspicious and, on the other hand, to remain calm. But he did so in vain. As soon as the radio reported the extent of the catastrophe for the first time, Tehran's citizens, tens of thousands of men and women, most carrying their children, poured into the streets to demonstrate against the terrorists and their presumed supporters—the "munafeqin" (literally, hypocrites; those who play a double game).

By late morning the guilty parties had still not been named precisely. But, according to rumors, suspicion lay in two directions—Forqan, the extreme right-wing Muslim organization, and the Mujahedin-e Khalq, which is equally Islamic—with both being accused of playing into American imperialism's hands, whether "intentionally or not."

TEHRAN ABRAIN TURKISH (ALMOST)

(EQUIVOX) Iranian International Service in Turkish 1830 GMT 6 Jul 81

[Commentary: "In Reply Once--the Khomeyni Statement of TEHRAN"; 2 July]

[Excerpts] You deserve the strongest reply possible for your article in the daily TEHRAN on 2 July entitled "Khomeyni is Talking Nonsense." However, it is forbidden once and we must be careful that the terminology is not reply is no stronger than what you have used.

To begin, you have quoted Imam Khomeyni as stating that Islam is a religion of the sword and blood. However, we do not recall where and when this statement was made--if it was made at all. Nevertheless, it is possible that such a remark has been made. However, as for the question of whether it is nonsensical as you have described it, let us point out that you have acted like the dervish who read half of the Koranic verse and took it to mean that one should not pray. And, supposing that without being aware of the fact that Islam is a religion of peace, Imam Khomeyni has drawn an image of Islam in his mind which describes it as one that has given in to idols, surrendered to non-Islamic systems and abandoned fighting for its own defense, then what have you to say about the prophetic tradition: paradise is under the shade of the swords?

You have said that the sword of Islam is not one that shade blood. Neither you nor anyone else has the right to either divert or weaken Islam for the sake of winning the praise of Communist Caffirs. Has not Islam adopted the principle of always defending itself against its attackers--using arrows, swords, artillery and rifles as warranted by the situation or at least using weapons similar to those of the enemy? Has not Almighty God said in the Koran that if they had the strength the Kaffirs would continue to struggle against you until they succeeded in diverting you away from your religion? Since the Kaffirs would continue to struggle against us to divert us from our religion, how should we respond to them? There should we derive our strength?

Should the Islamic state present flowers to the cruel and evil enemies of Islam when they take up arms and rebel against it? Does Islam tolerate and ban Muslims from using arms in such situations? Islam safeguards the rights of those who surrender to it. It safeguards the rights of those who are loyal to it but not those of people who use arms against it.

My dear, you cannot understand all this because you have never wanted to accept these facts. Ever since Iranian Muslims stood up against idolatrous regimes in Iran and demanded Islamic order, you have been opposing them. Even when you appeared to be opposing the Shah (which indictment) you were endeavoring to fulfill your duty as an imperialist, thus taking your place among the ranks of the Kaffirs, oppressors and idolatrous elements.

My dear, Islam is the law of God, and if the blood that God's law says has to be shed is not shed, then this can only be described as cruelty. Shedding that blood is justice. If arms are used against those who rebel against the Islamic state, this is but only a command of Islam and not something against it. Of course, this is not left to the discretion of individuals. On the contrary, it is carried out in accordance with the verdicts of the courts of the state that has been set up on the basis of Islamic canon law. Since your concept of paradise is based on what has been conveyed to you by the Kaffirs, you cannot even agree that there is a state in Iran. What can we do under such circumstances?

Dear listeners, in view of the fact that time is running short we shall continue tomorrow evening. Goodnight to you all.

(END: 0410/6)

BANI-SADR'S DEFEAT BY FUNDAMENTALISTS ANALYZED

London 8 DAYS in English No. 24 20 Jun 81 p 17

[Article by Tim McGirk]

[Text] PRESIDENT Abol Hassan Bani Sadr has had his hands full in recent days preparing for struggle with Iran's fundamentalist clergy. Last week, ayatollah Khomeini dismissed him from his post as commander in chief of the armed forces. In his address to Iranians, which also took a generally political tone with his appeal Bani Sadr effectively stole the president of all but the ceremonial powers of his office.

After the fundamentalists had pressed some of the president's most loyal supporters, such as Iranian Resistance newspaper and tried to dismiss the two presidential appointees left in the cabinet, the embattled Bani Sadr remained calm. The day after the newspaper ban, his followers hurriedly distributed a four page edition called the Message of the President that urged the people to take to the streets in protest against the fundamentalist takeover which eliminated the government. This demonstration, contemplated a Khomeini decree that banned all political demonstrations which are held between Iran and Iraq.

Following Bani Sadr's call, demonstrations supporting the president were staged throughout Tehran, clashing with the rival ruling Muslim Republic Party (IRP) which controls the Majlis (Islamic assembly of revolutionary law). No injuries were reported, but that evening supporter Khomeini rose to the occasion. He was closing with eight Iran's [illegible] leadership. The message I got with the Qur'an will be with those who want to oppose the president's [illegible] the Majlis and other institutions.

Soon after Bani Sadr left on [illegible] Muslim comrades gathered outside his office [illegible] his rule and showing his [illegible] president's rival and successor. His political opponents sought to rally under Tehran [illegible] Khomeini's decree [illegible] try to unseat the president from office [illegible] if he [illegible] one step [illegible].

Earlier fears that Iran's military would be [illegible] to Bani Sadr's cause were dispelled when Khomeini appointed General Fallahi [illegible] Fallahi, chief of staff — a professional soldier rather than a religious fundamentalist — to replace him.

Moreover Bani Sadr [illegible] by his [illegible] on both [illegible] and [illegible] as [illegible] his own [illegible] opponents. Although the second-placed candidate [illegible] Iran's [illegible] presidential elections in [illegible] 1980 with 3.77 per cent [illegible] he failed to [illegible] his [illegible] into a political organization that could match the all powerful machine of the mullahs. [illegible] failure has now caught up with him.

An alternative [illegible] for fundamentalist [illegible] is Iranian Central Bank Governor Ahmad Nadari. A Bani Sadr [illegible] Nadari's shrewd policies have won him the [illegible] support of the Americans and European bankers who deal with him in the [illegible] financial negotiations. He followed the [illegible] of the American hostages.

Several [illegible] last week Nadari was [illegible] by revolutionary guards as he left his office opposite Tehran's bazaar. The guards were reportedly looking for [illegible] believed to be [illegible] dumping in the fundamentalists, whom they thought Nadari was smuggling out of the bank — but none were found.

[illegible]

CSO: 4600/55

OUSTER OF BANI-SADR HAILED AS 'THIRD REVOLUTION'

Tehran KAYHAN INTERNATIONAL in English 5 Jul 81 p 1

[Editorial by Rajabi: "The Third Revolution"]

[Text]

Islamic Iran underwent profound transformation during the last month, a transformation which remained hidden and vague for most foreign observers. In many analyses, this transformation was considered the third revolution of Iran. This is an analysis which we shall announce by discriminating between the line of Imam Khomeini and the deviated internal line which was created as a result of this third revolution.

One of the fundamental aspects of the Islamic Revolution is undoubtedly its continuity and steadfastness. A necessary condition for the continuity and progress of every revolution is its persistence in its original line and that is self correction. Ignorance of this fact has led many movements in the world to deviation and annihilation. The Islamic Revolution of Iran in its first stage overthrew a monarchical regime of oppression supported by the West and replaced it by an Islamic Republic, thus fulfilling the will of the masses. In the second revolution, the righteous youth of the nation occupied the American spy den in Iran, thus exposing the treacherous plots of America aimed at destroying the revolution, and shattered the false idol of America throughout the world. Following this stage of direct confrontation with America, the United States embarked on a plot using its internal lackeys i.e. the leftist sub-groups, nationalists and liberals to exclude the line of Imam Khomeini and conscious Ulama from the political scene of Iran, thus diverting the movement towards the direction they desired. This process was particularly facilitated and enhanced by the activities of the Westernized line of reformism and liberals. At the head of them was Banisadr, who took advantage of his authority to weaken the institutions of the Republic and strengthen and organize a wide spectrum of opposition against the Republic. The third

revolution consisted of the exposure of this pro-Western line and its isolation.

Keeping this introduction in mind, in order to obtain a more profound understanding of the nature of this third revolution, we shall summarize "the current which aimed to direct the revolution towards America."

First, we must explain the characteristics of this current (note that we stress a current and not individual or group) and then we shall expose their role and failure during the past two years of the Revolution. In citing the characteristics of this current of Westernization, we begin with its basic ideological aspects which caused its ultimate opposition from the line of Imam.

1. Ideologically, this current relied upon an eclectic philosophy mixing Islamic ethics with principles of Western democracy and liberalization. It is the examples of those who as the Quran says, "They believe in a part of the religion and deny a part." With regard to Djebali which is the Shi'a school courses of educating Islamic ethics to current officers by learned Ulema, and with regard to the principles of jurisprudence taught and propagated by the religious schools, this current fails to regard them as corners of the true Islam. They consider their particular interpretation of Islam mingled with Western ideals superior. This ideological rift led to a major partition between this class and the conscious Ulema who were the forerunners of the Islamic movement.

2. This ideological deviation led this Westernized current to an unbalanced opposition with the constitutional principle of "Velayate Faghih, the essential point in continuation of the philosophy of Imamate. Their figures (among them Bazargan) opposed the ratification of this article on the pretext that this implied lead to "theocratic dictatorship", a claim which proves their total ignorance of the issue.

3. Again, stemming from the eclectic ideology they practice, this current does not follow the authentic "Neither East Nor West" line of the Revolution. They did not consider imperialism and precisely America to be the Great Satan and the source of their nation's troubles; instead, they argued that since Iran could not rely on itself, and since the Russians were atheists, Iran should slide gradually towards the U.S. for aid.

4. An ethical aspect which rose indirectly from their incorrect understanding of Islam was that the current lacked sufficient self-development and thus carried too many weaknesses in its personality. Consequently, due to the domination of desires and lusts and lack of any profound self-purification, this current is quite vulnerable to worldly attractions such as power and fame.

Now with a brief understanding of the major deficiencies of the current, particularly in comparison with the authentic line of Imam, we can review the functions of this pro-Western current.

1. Carrying a usually Islamic appearance, this current stepped forth very early on the political scene of the Revolution. They claimed to inherit at least a section of the revolutionary leadership and succeeded in convincing the nation that they were eligible for participation in the political leadership. Imam fulfilled their claims so that their true identity might be revealed in the scene of action and the nation's understanding might be increased in this area.

2. After entering the political post-revolution scene of Iran particularly in the Provisional Government, this current adopted reformist policies instead of revolutionary action. The "step by step" policy is characteristic of this current. Responsibilities were given to figures regardless of their anti-Islamic character; nationalists, capitalists, and many others who served imperialist interests were incorporated into the government structure. This ultimately led to the government's weakness in confronting the counterrevolutionaries particularly in Kurdistan, and in opposition and incongruity with Revolutionary Courts, Construction Jihad and Revolutionary Guards Corps which were institutions stemming from the heart of the masses.

3. As a result of this pro-Western political outlook, aside from the general slant towards the West they imposed upon the movement, major elements of this current actually sold themselves to American agents and plotted alongside them to isolate the line of Imam and the Ulema. The clear examples of this betrayal were elements like Moghadam Maraghei, Nazhi, Amir Entezam, Qashqai'i, Madani and ultimately Banisadr (see Documents Page 8)

4. For the same reason mentioned above this current strongly opposed the second revolution i.e. that of direct confrontation with American imperialism. Contrary to Imam Khomeini who honored and valued this action, the liberal current took advantage of every opportunity to denounce, and disgrace this movement under various pretexts.

5. After the second revolution which exposed and demolished the subversive Provisional Government the political life of this current prevailed in the Revolutionary Council and ultimately took form in the personality of Banisadr. In all these circumstances this current did not refrain from attacking the legal institutions of the Republic, such as the Majlis, the Guardian Council and the Government, under the pretext that they are monopolized by a single party. In reality they were opposing and weakening the authentic line of Imam under the pretext of opposing a single political party.

6. What occurred as a result of this opposition was that this current, led by Banisadr, became a central point around which counterrevolutionaries, from all fronts gathered under the direction of their masters to fulfill the American dream. When Banisadr felt his power endangered, he strongly

encouraged and strengthened these subversive dependent groups ranging from the Marxist oriented (hypocrite) Mujahideen Khalgh to the American leftist Fedayeen Khalq (Majority) and Paykar whose American dependence has been highlighted in their repeated treacheries.

These final attempts of Banisadr brought about not only his but the Westernized current's downfall and exposure for the nation. Banisadr blinded by his ambition, mistook the 11 million votes given to the line of Imam as votes given to himself. Yet the vigilant nation distinguished clearly between the authentic revolutionary line of the Imam and those intellectual Westernized liars who could not grasp the faith and sufferings of the people. Contrary to Western predictions the ousting of Banisadr and his dependents took place more smoothly than the dismissal of a village elder.

The nation once again stood firm, guarding the line of Imam Khomeini. All final hopes lost, America similarly attempts, while causing fear and terror, to assassinate political figures. It arranges for the wildest terrorist act in history but instead of achieving its aims, the nation's farsighted unity forms a spectacular protest and the din of "death to America" fills the air. When facing the grand waves of a Muslim nation supported by God, even America cannot do a damn thing.

The third revolution is completed.

'AFP' REPORTS ON CURRENT IRANIAN SITUATION

GPO21636 Paris AFP in English 1626 GMT 2 Jul 81

[Text] Tehran, 2 Jul (AFP)--With 3 weeks to go before presidential elections to replace the disgraced Abolhassan Bani-Sadr, Ayatollah Ruhollah Khomeyni attempted today to rally Iranians to the regime, urging all who were "not really deviationists" to drop the "hypocrites who have revolted against Islam."

Addressing the families of 74 Islamic Republican Party members killed in an explosion at the Fundamentalist Party's headquarters on Sunday, Iran's spiritual leader added: "These hypocrites cannot help you. The day they take power they will have your heads cut off."

The term hypocrites in official Iranian terminology has come to mean the Mojahedin-e Khalq, whose ideology is a blend of Islam and Marxism. The group fiercely supported Mr Bani-Sadr, and numerous Mojahedin died in clashes with fundamentalists the week before his sacking.

Several have been arrested and executed over the past 2 weeks, and earlier this week Ayatollah Khomeyni blamed them for the IRP blast. The press reported seven leftists were shot in the provinces yesterday, mostly member of the Mojahedin. Charges ranged from "making war on God" to "making trouble."

Meanwhile, several moderate members of parliament, who stayed away from the debate on Mr Bani-Sadr's "political incompetence," have reappeared in public.

Mehdi Bazargan, who headed the interim government after the revolution, and his foreign minister, Ebrahim Yazdi were both in the Majlis today.

Parliament speaker Hashemi-Rafsanjani announced that special security arrangements were in force to protect the two former ministers.

The presidential elections are scheduled for 24 July. The press reported today that candidates must apply between 4 and 7 July. Prospective candidates must be "virtuous, pious, trustworthy and committed to the Islamic Republic and its offic'-l religion."

Meanwhile in Paris, the leader of the Shi'ite community in Europe, Ayatollah Mehdi Rowani, sent a telegram to Ayatollah Khomeyni today urging measures to stop the disintegration of Iran...and restore its international prestige and respect."

The telegram called for the setting up in Iran of a "committee for national reconciliation" grouping all political tendencies, an end to "revenge and summary executions" and the creation of a supreme Shi'ite court to supervise state institutions.

In a presumable reference to the war with Iraq, the Ayatollah also urged the Iranian regime to "accept international mediation, notably by the French government, to end a conflict imposed by force" on Iran.

The message ended with regret that Iranian authorities had not heeded "warnings about their shortsighted policies" that he had issued since the revolution 3 years ago.

CSO: 4820/51

IRAN: OFFER FOR RAMADAN CEASE-FIRE REJECTED

AFP0103164 Paris AFP in English 1607 GMT 3 Jul 81

[Text] Tehran, 3 Jul (AFP)--Iran today flatly rejected a proposal from Baghdad for a truce in the Iraqi-Iranian war throughout the Muslim holy month of Ramadan which is celebrated here beginning tomorrow.

The speaker of the Iranian Parliament, 'Ali Akbar Rafsanjani, described the Baghdad offer as nothing more than a "plot" designed to extricate Iraq from "the era of defeat, using Ramadan as a pretext for demanding a cease-fire so as to recommitate its forces."

Yesterday, the foreign ministry here had pledged that the Iranian army would "continue fighting while fasting"--during Islam's holy month, no food may be taken before nightfall.

On his part, the Iranian commander in chief of the armed forces, Gen Valiollah Fallahi, declared that Iran had retaken 65 percent of the territory occupied by the Iraqis during the first days of their attack last fall.

The general's statement appeared part of an effort by the authorities to remind the people of the ongoing war at a time of political drama.

Following the dismissal of President Abolhassan Bani-Sadr and last Sunday's bomb attack on the ruling Islamic Republican Party's headquarters in which 74 party leaders were killed, attention now focuses on presidential elections scheduled for 24 July. Candidacies may be filed until 8 July but none have been presented as yet.

/12913 GMT 81

'AFP' REPORTS ON RENEWED 'VIOLENCE' IN IRAN

[redacted] Paris AFP in English 1611 GMT 6 Jul 81

[Text] Tehran, 6 Jul (AFP)--The mass execution of 13 extreme-left political opponents [words indistinct] (1st Byte) Prime Min[redacted] [words indistinct] with today's assassination of the governor general of Gilan province in the Bonis Sadr's new round in an apparent cycle of violence and repression in this strife-torn country, according to observers here.

Government spokesman Behzad Nabavi said here today that officials expect more attacks by terrorists trying to "demonstrate" Iran's lack of stability.

"They are concentrating their efforts on the 20 days before the presidential election to prevent the holding of the ballot, because that will be a blow to America and its agents," he said.

Although no one has officially announced their candidature for the 24 July election, applications must be filed between today and Wednesday.

After former President Abolhassan Bani-Sadr was dismissed from office on 20 June, his political rival, Prime Minister Mohammad 'Ali Raja'i, said he would take on the president's post "if the people [words indistinct]."

Tehran newspaper today reported that thousands has chanted slogans supporting Mr Raja'i at Friday prayer services in the provincial cities of Hamadan, Bafqanian and Yazd.

Meanwhile, Islamic Republican Party leader Javad Bahonar said the Islamic leftist people's Mujahedin were "clearly" connected with the recent bombing of party headquarters that left his predecessor, Ayatollah Mohammad Beheshti, and 73 others dead.

One week before the bombing, the Mujahedin warned that they "would have the skin of the Mullahs in 8 days," Mr Bahonar said in comments printed today in the party ('paper).

During his press conference, Mr Nabavi said Iranian (?officials) had no documents proving the Mujahedin organization's alleged role in the bombing, but said explosives had been seized in Mujahedin (?hideouts) during the last few days.

Fifteen of the 21 prisoners executed today were said to be Baluchis. They were among 90 people arrested in a Tehran house on 17 June, 3 days before bloody clashes between supporters and opponents of then President Bani-Sadr.

The trafficking hard line against government opponents was confirmed by Islamic judge Hojjat al-Islam Mohammad Gilani (far e) press conference at Evin Prison yesterday.

"We must eliminate the corrupted from the earth so that others can live quietly," he said.

Judge Gilani lashed out at a report by Amnesty International, saying that like the United Nations, the human rights watchdog organization was in the service of the superpowers.

He said that since the fall of the Shah, no more than 350 people have been executed. Amnesty International has reported some 1,500 executions in Iran during this time.

cbm. 0800/31

[redacted] of BAKHTIAR 'LE FIGARO' INTERVIEW

[redacted] (Limitation) Free Voice of Iran in Persian to Iran 1500 GMT 7 Jul 81

[Text] In an exclusive interview with the French newspaper LE FIGARO, Shapur Bakhtiar said [words indistinct]. The following is the full text of the interview:

LE FIGARO writes: The French police have informed Mr Shapur Bakhtiar of a plot to assassinate him. The newspaper adds: According to information received by the French police following the bombing of the Islamic Republican Party headquarters in Tehran, Ayatollah Khomeyni has asked Libyan leader Mu'ammar al-Qadhdhafi to avenge the death of the 72 people, including Ayatollah Beheshti, killed in the bombing incident by sending Libyan terrorists to assassinate Mr Shapur Bakhtiar. LE FIGARO says: Mu'ammar al-Qadhdhafi has agreed to Khomeyni's request and has announced that Shapur Bakhtiar will be assassinated within the next 60 days. Meanwhile, Libyan terrorists have informed officials of the Islamic Republic of Iran that it will be very difficult to assassinate Bakhtiar in his residence and that a suitable opportunity should be found.

Continuing, LE FIGARO writes: Since finding out about the plot to assassinate Shapur Bakhtiar, the French Interior Ministry has taken special security measures to protect his life. At the moment, 12 French police commandos are stationed near Shapur Bakhtiar's residence in order to be able to rush to their aid if necessary. We invite our dear listeners to hear LE FIGARO's interview with Shapur Bakhtiar in connection with reports on a fresh plot to assassinate him.

Bakhtiar told the LE FIGARO correspondent: Assassination threats have always been among the responsibilities that I have undertaken. The former Iranian prime minister announced in his interview that he has never been so optimistic before, because resistance groups within the country are being formed to the best way possible.

Bakhtiar said: Those who at the beginning believed in the "Islamic Revolution" have now found out that this revolution has brought nothing but chaos and death. Mr Shapur Bakhtiar said: (Precise information is difficult to obtain, but according to (unofficial) statistics more than 2,000 people have been executed without true trials. This number does not include the people killed in towns and villages by revolution guards who have so far killed a great number of people in their homes.

In continuation, Shapur Bakhtiar pointed out: (It is true) that Khomeyni has ordered the revolution guards to kill anyone they want on charges of insulting God and the messenger of God. As a result, thousands have been killed by these guards on these charges.

Speaking about Iran's economic situation, Bakhtiar noted: (A true picture of this cannot be presented.) Factories have been closed down. Thousands have either been dismissed or (fired after so-called purges). No organization is working. More than 3 million Iranians have lost their jobs in the past 2 years, and as a result more than 5 million are unemployed. (A terrible situation prevails in Iran.) More than 1 million Iranian intellectuals and experts have fled the country. More than 2,000 Iranian doctors are in Germany. Thousands of governors, engineers and (industrialists) are abroad. That which has been able to keep Khomeyni's regime going until now has been the export of 2 million barrels of oil per day, which in the past reached 6 million barrels per day.

At this point the LE FIGARO correspondent asked Dr Shapur Bakhtiar: Do you think that opponents of Khomeyni's regime will gather around Abolhassan Bani-Sadr?

The former Iranian prime minister replied: No, (Bani-Sadr is through). The West committed a big mistake by thinking of Bani-Sadr as a moderate. He is a fanatic like Khomeyni and responsible for all the crimes he has committed. Do not forget that Bani-Sadr himself appointed the terrible Khalkhali as head of the revolutionary courts. Bani-Sadr's hands are stained with blood. At first it seemed that some people supported him because he was appointed president with 76 percent of the people's votes. But exactly 15 days later, during the Majlis elections, his supporters (were indistinct). If recently some people demonstrated in his favor, it was mostly because no one dared shout "death to Khomeyni" and therefore they confined to shouting "long live the president."

The LE FIGARO correspondent then asked Dr Shapur Bakhtiar: What is the role being played by the Tudeh Party? Bakhtiar answered: The Tudeh Party receives all of its orders directly from Moscow. The Soviets believe that everything should end in Iran as that (it can be gained more easily). Therefore, we are witnessing with awe and disbelief the communists' unconditional support of Khomeyni, who is preparing the ground for them to achieve their objectives.

The LE FIGARO correspondent asked: How do you explain the Tehran bombing (at the IRP headquarters)? To which Dr Bakhtiar replied: It is very simple. The people are fed up, and since they cannot express their (feelings) freely they are resorting to terrorism.

Continuing the interview, the correspondent asked Dr Shapur Bakhtiar about his activities, and he replied: We have a radio program broadcast 2 hours daily. Khomeyni executes those who possess cassette tapes of my voice, as I (share the people of my messages through this transmitter. This radio has many listeners in Iran. Through this transmitter, I called upon the Iranian army

and to support Bani-Sadr vis-a-vis Khomeyni, because Ghotbzadeh and Yazdi are with the same. Therefore, we have set up a communications link that grants us easy access to Iran and through which we were able to bring out all my cabinet ministers, excluding one person who decided to stay in Iran. In the near future, we intend to form a committee that will be able to be immediately turned into a provisional government. We are to establish ourselves in a country that does not have diplomatic relations with Iran.

AS PLAYBOY also questioned Bakhtiar about his relations with Reza Pahlavi. On this subject, Dr Shapur Bakhtiar said: I have always announced that I will never agree to the shah's rule. When Khomeyni's regime falls, the provisional government will immediately take the preliminary steps to form a constituent assembly that will slowly carry out the necessary amendments to the 1906 constitution. It is then that the people will determine what they want.

Concluding the interview, the correspondent asked: Therefore, you are still in the waiting stage? Dr Shapur Bakhtiar replied: Yes. We are waiting. But the course of events has greatly accelerated and we are prepared.

(Cont. 0940/1)

COMMENTARY ON 'LA REPUBBLICA' INTERVIEW WITH S. BANISADR

BK2106165 [Clandestine] Radio Iran to Persian to Iran 1130 GMT 11 Jun 81

[Text] Leader of the National Resistance Movement of Iran [NRMI] Mr Shapur Bakhtiar, granted an interview with the Geneva-based LA REPUBBLICA newspaper. We draw your attention to a part of this interview:

[Question indistinct]. Khomeyni's regime has repeatedly tried to remove his [remaining] opponents by international maneuvering. Bakhtiar became prime minister at a time when the incumbency to this office needed patriotism and courage equally. Bakhtiar is leading the NRMI today. [This follower of Mossadeq], both at the time when he struggled against the shah's regime and now that he is the main target of the terrorists ruling Tehran, has been devoted to Mossadeq's political line. In the moments when calamitous events in Iran have once again brought that country into the world limelight, Shapur Bakhtiar offers his initiatives[sic] of the past and his forecasts.

LA REPUBBLICA then asks Shapur Bakhtiar for his opinion on the explosion. Bakhtiar says: The central office of the Islamic Republic Party was the place where reactionary fundamentalists gathered whose only task was to stone women, hang children and commit other such crimes. It was natural and logical for the Iranian people to pick this office as the target of the brutality that we are now witnessing. Even though I condemn such brutalities, I understand them.

The LA REPUBBLICA correspondent then asks: Will this incident alter the course of events? Bakhtiar replies: The extent of the incident and Behehti's death may accelerate the rate at which incidents will occur. We hope that these incidents will not lead to a civil war.

In reply to a question about who is responsible for the Bani-Sadr incident, the NRMI leader says: There is no such thing as a "Bani-Sadr incident." In this case too [words indistinct]. Bani-Sadr led the Revolutionary Council--a council responsible for the issuing of hundreds of execution orders. Bani-Sadr was one of the representatives of an intolerant and fanatical school of thought. Bani-Sadr willingly became Khomeyni's president. Between those who struggled for power there were rivalries that were more or less soon revealed. The truth is that Behehti, even though a clergyman, was afflicted by the West as was Bani-Sadr and was more clever than Bani-Sadr. But the situation developed in such a way that opponents used Bani-Sadr as a position, even if temporary.

Then this representative and element of the regime emerged as a moderate. Bazargan's [illegible] in LE MONDE newspaper. The West thought it could use Bani-Sadr against Khomeyni, but the fact is that Bani-Sadr had no supporters but disoriented people of all sorts. He was nothing and no one was willing to defend him.

The LA REPUBBLICA correspondent then asks: Which (?political) aim is directing the Tudeh Party not to show any reaction in the face of the heartlessness and injustices of the regime? Rabbitar replies: It is a simple game. The Tudeh are supporting Khomeyni and his associates because they know that this is the best tool to place Iran into the phase of chaos and anarchy. As they infiltrate everywhere, the Tudeh are looking forward to the master who is holding the main string in his hand to announce that the fruit is ripe.

In reply to a question on whether the formation of a united resistance front is in his program of struggle, Rabbitar says: I am prepared to coordinate and cooperate with everyone except with the Tudeh, Khomeyni's associates, agents of foreign powers and corrupt people or [words indistinct] opportunists.

On his stance on the monarchists, the [illegible] leader tells the LA REPUBBLICA correspondent: I do not oppose monarchy. Everything depends on its contents. For instance, if the (?Swiss) prime minister opens himself a monarch but the constitution continues to be respected then this will not make a difference to the reality. In Iran, Khomeyni's (?regime) should be ended and a provisional government be formed on the basis of the 1906 constitution, which was never correctly implemented in the past. Then a constituent assembly should be formed and this assembly will (?have to closely study each and every article) of the constitution [words indistinct].

The Swiss correspondent then asks Rabbitar: Are you not worried about a new assassination attempt after the attempt from which you escaped? Rabbitar replies: So far the programs of a number of commando groups have been thwarted before being (?implemented). Officials have informed me that the mullahs have asked for help from Libya to carry this out. Therefore, they are choosing experts.

On program for struggle for Khomeyni's overthrow, Rabbitar says: I certainly have a plan to overthrow the regime that I cannot reveal. But this step should be taken from within Iran and only from within Iran.

Concluding the interview the Swiss correspondent asks: Is there a possibility in the near future for a public insurrection and, basically, how do you see Iran's future? Rabbitar replies: Yes, but Iran's armed forces and their (?outlook) should be taken into consideration. As far as Iran's future is concerned I should say that Iran's history grants us the possibility to be hopeful (?that the present nightmare will soon end). Khomeyni enjoyed the support of the West, but the West has now been (?hit) by him and realizes that there are no hopes left. The definite thing is that Iran's deliverance should start from the Iranians, from us.

CSO: 4600/10

GOVERNMENT WARNS AGAINST MIXED MARRIAGES

LD070154 Tehran Domestic Service in Persian 1030 GMT 6 Jul 81

[Text] PARS News Agency reports that in a statement the Interior Ministry warns those Iranians who choose foreign spouses. The text of the statement is as follows:

In his exalted name. The Interior Ministry of the Islamic Republic of Iran hereby notifies all concerned: it has recently been observed that some families, owing to their ignorance of regulations, and without considering the consequences, let their offspring marry foreign subjects; such marriages create problems in the future, as follows:

1. Since the legal procedures for obtaining the consent of the respective authorities of both spouses, are not followed, these marriages cannot be registered.

2. The citizenship laws of most countries impose the citizenship of that country on the wife--in particular--after marriage; consequently, such marriages raise the question of the citizenship of both spouses.

3. Since the said marriages are not registered, the issue of any form of identification documents are legally banned; consequently the offspring of such persons face numerous problems for not having birth certificates.

4. Because they are not registered, in such marriages, appeals relating to court orders for cases like: refusals to pay maintenance and mahriyah [settlement, arranged at time of marriage, payable at any time during married life or after divorce], child maintenance and custody, desertion, and cases when one spouse is missing, and so forth, cannot be made and face numerous difficulties.

For this reason, all families are asked to refer to legal authorities in such cases, and to refrain from doing this [permitting mixed marriages] without obtaining legal permits.

CSO: 4600/31

BAZAARIS TRYING TO KEEP CONTROL OF FOREIGN TRADE

London @ DATI in English 27 Jun 81 p 36

(Text) ***The government's attempt to nationalise Iran's import and wholesale trade has provoked an outcry among the country's powerful merchant classes***

[redacted] leaders are embarking on a move bid to wrest the lucrative foreign trade business from a select group of powerful merchants in the country's fabled Bazaars. Last month the government presented to the Majlis or plans to nationalise the foreign trade business, estimated to be worth $8bn this year.

The target of the plans is a source of merchants whose Iran's fundamentalist leaders accuse of exercising a stranglehold over the country's export and wholesale trade. Observers foresee a struggle which will pit the conservative religious forces against the younger, more revolutionary elements. The outcome will be a major indicator of how far to the left Iran's Islamic revolution will veer, they say.

The need to nationalise foreign trade is one of the few points of agreement between President Abol Hassan Bani Sadr and his clerical rivals who dominate Iran today. But despite this rare public show of unity, political sources say there are powerful forces which will prevent the bill going through without a fight.

The row is delicate as the merchants, who stand to lose benefits if the government succeeds in its foreign trade, have always had with Iran's Muslim clergy. It was their money and contacts which fuelled the opposition that led to the overthrow of the late Shah in January 1979 and paved the way for the clergy to take over.

The Tehran Bazaar, believed to be the largest in the Middle East, is a little more than a collection of narrow, covered alleys. It is still the commercial centre of the capital, though its influence is waning because of other growth.

Within or with of the Bazaar, we don't mean the master shops selling carpets and copper trays, we mean the importers and wholesalers, captains and financiers who deals with the rights back community.

Perhaps the typical merchant has only two pairs of shoes and a telephone on a cramped office. What you don't see are his extensive contacts abroad — and the Mercedes in his garage.

Such people are frequently attacked in the pro-clergy press or capitalist thieves and Prime Minister Mohammad Ali Rajaee reported to have uncovered a case where one trader made a $70m profit from importing 150 tonnes of sugar.

The post-revolutionary connections with the foreign trade so be part of the public sector, along with banks, insurance and major industries and many fell there was quickly nationalised after the revolution. Plans for a state takeover were outlined in March last year but the government, accused by leftists of dragging its feet, has only now got round to making concrete proposals. When the bill was presented to the Majlis, the single-chamber assembly refused to give it immediate attention, and little has been heard of it since.

The plans are gradual and will take five years to complete, reflecting what leaders see as a victory for moderates over revolutionary elements who favour a speedier takeover. The details have been revealed, but the 70-year old commerce minister, Mohsen Nourbakhsh Ardebili has said the bill envisages the establishment of state-run import, export and service companies within six months of the legislation being passed.

[redacted] will gradually take over the country's economic trade, and the economy of American-educated former students without direct ties to the government is small. He has been at pains to assure Washington that the plans will work to their advantage by lowering our middlemen and brokers, and he has told traders they can continue to export until the bill is approved.

Political analysts say the gradual approach suits refugee politicians in allowing the first stage of the new's terms and import control, on which the government hopes to reduce prices and our middlemen and siphon off some of their profits. The second decision comes to exercise the import of goods such as metals, wood and paper, and textiles and fibres. The traders must approve the prices and terms of a person, deal and take some to pay out of the goods to distribute themselves.

Traders report that the young officials appointed to the centres are so much for the experienced merchants. Though they have succeeded in getting low prices for exports, the distribution system is chaotic and many state-controlled items, from sugar to sugar, are in short supply. These shortages are already blamed on the eight-month Iraq war with Iraq, which has closed the ports. But prices panic in the thriving black market, where all items currently in short supply can be purchased [illegible] usually at three times the official price.

Secondly the fundamentalist Islamic Revolution Party (IRP) could get its hitherto passed because of its control of both government and legislature. But political sources say there is strong current of support for the Bazaar among clergy deputies, who make up more than half the Majlis, and this will complicate the vote.

Despite these problems, the government is expected to go ahead with its plans, though it is unclear if it will appease the Bazaar by leaving a wide role in foreign trade. One young economist has the task to decide on an import [illegible] shortage of local producers, a shortage which it could partially offset by taking all the trade profits for itself.

CSO: 4920/64

JAPAN IS MAJOR MARKET FOR IRANIAN EXPORTS

London S DAYS in English No. 23, 13 Jun 81 p 55

[Text]

JAPAN IS AIDED the lion of exporters to Iran for the first time in 1980, according to figures published recently by the OECD. With a total of $3.17bn, Japan's sales just topped the $3.15bn of West Germany. The share of trade going to both countries was, however, down on previous years. Britain not only managed to come third on the exporters list but also almost achieved pre-revolution sales levels with its $971m.

Iran's total imports last year, according to figures released by its customs organisation, were $11.6bn. This compares with a total of $10.19bn in the Persian calendar year 1977-78, that is, in the year immediately before the revolution began severely to affect trade levels. The U.S.'s share of this trade fell by almost 4 per cent comparing 1980 with 1977-78.

Following the taking of the US hostages in November 1979, the US government — and then, halfway through 1980, the EEC and Japan — took economic sanctions and diplomatic action against Iran. Direct US exports to Iran fell to $2bn, an all-time low for the last decade. In 1977-78, the figure was $3.7bn.

Traders, however, are quick to point out that during the embargo there existed a sizeable amount of third-party trade with Iran in goods originating in the US.

Contrary to the picture for US exports, direct EEC trade with Iran does not seem to have been hard hit by the start of sanctions in May 1980. Perhaps reflecting this, the EEC commissioners recently claimed to be unable to draw any particular conclusions as to the effectiveness of the EEC embargo on the basis of the figures available to them.

However, the growth of European sales was handicapped by the limited amount of export credit guarantee cover available. Much of the trade was conducted on either a cash or irrevocable letter of credit basis.

It is clear from the OECD figures that a number of EEC members increased their share of the market. France improved its 1977-78 sales level to $1.2bn from $649m. French trade officials point out that this was really only the result of increases in world prices for foods, sugar in particular.

They say that Britain was the country with the largest trade surplus with Iran in 1980, having almost abandoned the purchasing of its oil from there early on in the year.

Apart from almost total elimination of the US from direct export trading — although a renewed growth in the list of purchasers of Iranian goods — the position of West Germany must be giving most cause for concern. Its share of trade fell by six per cent of the total in the period from 1977-78 to 1980, and was accompanied by only a marginal improvement in its 1980 performance over the final year of 1979.

West Germany, in spite of sharing top position with the US for most of the last decade, faces stiff competition now in the Iranian market from Japan and other European states.

This year is expected to see a sharpening of competition for the Iranian market now that sanctions action has been abandoned. One Iran-based European commercial attache, whose government was not a party to sanctions, commented: 'I am constantly advising our businessmen that they must

come here and fight for business. Sanctions may have allowed us to enter the Iranian market, but only our own efforts will enable us to stay in it.

The fight for business may be increasingly influenced by political considerations. Iranian government officials have made it clear that the country is to put greater emphasis on the principle of reciprocity, purchasing goods from countries which import from Iran.

From the figures available — and no official ones have been published by Iran — it is impossible to make even an estimate of the level of trade with Eastern Europe. In 1977-78 OECD countries (which includes Yugoslavia) shared between them 85 per cent of all sales to Iran. In the same year the eastern bloc had less than 6 per cent ($840m).

The policy of diversification of trading partners, plus reducing to a minimum direct trade with the US, seems partially to have worked for Iran in 1980. What is clear is that several of the immediate beneficiaries of the change in policy have been what Iran's political leaders chose to call independent advanced industrial states.

This category seems sufficiently elastic to allow for the West to hope that the level of their trade with Iran will re-establish itself during 1981 and into 1982.

Top ten exporters to Iran (plus EEC)

Country	Imports from Iran 1980 ($m)	Share of exports to Iran 1980 %	Share of exports to Iran 1977-78 %
Japan	4,243	13.0	15.7
West Germany	1,880	13.2	19.4
UK	250	8.0	6.9
France	662	4.3	4.6
Italy	341	5.0	6.6
Netherlands	316	3.1	3.3
Spain	1,058	2.6	1.0
Australia	81	2.5	1.5
Switzerland	82	2.4	3.1
Belgium	271	2.4	2.4
EEC	3,832	30.2	42.9

Source: OECD Country Reports for Iran 1977-78

CSO: 4600/61

BRIEFS

FORMER UNIVERSITY PRESIDENT ARRESTED--Tehran, 6 Jul (AFP)--Iranian Security Forces have arrested the ex-president of Tehran University, Mohammad Maleki, the newspaper KAYHAN reported today. He was taken in for questioning last night on the orders of revolutionary prosecutor Hassan Lajvardi, the paper said. Mr Maleki, appointed university president after the Shah was ousted, lost his job when universities were closed in April last year when a "cultural revolution" was launched to "Islamify" the educational system. [Text] [GF061000 Paris AFP in English 0915 GMT 6 Jul 81]

BAKHTIAR URGES HUMAN RIGHTS PROTEST--Paris, 6 Jul--Exiled Iranian former Prime Minister Shapur Bakhtiar today urged his compatriots to protest publicly against human rights violations in Islamic Iran. Mr Bakhtiar, the Shah's last prime minister, issued the appeal from his Paris exile on behalf of the "National Iranian Resistance Movement." "Help us in our fight for liberty by protesting, by shouting out your disapproval to the United Nations, the Human Rights Federation, Amnesty International and the diplomatic agents of the Mullahs' Republic," his movement said in a communique. [Text] [GF061051 Paris AFP in English 1044 GMT 6 Jul 81]

MOJAHEDIN MEMBERS, SUPPORTERS ARRESTED--Tehran, 6 Jul (AFP)--Seventy members and supporters of the Islamic leftist Mojahedin, including four movement leaders, have been arrested in a police roundup here, the newspaper KEYHAN said today. The arrests were [words indistinct] part of wider operations carried out against leftists after the bombing of the Islamic Republican Party (IRP) headquarters in Tehran that killed 74 people last Sunday. Authorities have blamed the attack on the Islamic leftists. KEYHAN quoted security forces as saying that the arrests were made yesterday in forty homes in the capital that had served as meeting places for the Mojahedin. Fifty persons were placed in Evin Prison, and 20 others were freed, the paper said. Also, 20 Mojahedin supporters were arrested Thursday after clashes with revolutionary guards during a demonstration at Shiraz in southern Iran, the newspaper ETTELA'AT said. Revolutionary guards added [indistinct passage] that a meeting place was raided in Qamishleh northern Iran. Several persons reportedly were arrested, and printing material was seized. [Text] [GF061518 Paris AFP in English 1439 GMT 6 Jul 81]

AMNESTY INTERNATIONAL CLAIM DENIED--Tehran, 5 Jul (AFP)--A total of 350 people have been executed in Iran since the Shah was deposed, not 1,500 as alleged in a recent report by Amnesty International, Judge Hojat al-Eslam Mohammadi Gollani said today. Judge Gollani charged that the London-based human rights organization "is like the United Nations, in the service of the super powers." The late Shah was deposed in February 1979. [Text] [GC051910 Paris AFP in English 1852 GMT 5 Jul 81]

BANI-SADR REPORTED IN CAIRO--Kuwait, 6 Jul (AFP)--Fugitive Iranian ex-president Abolhassan Bani-Sadr has fled to Egypt and is now based at Cairo's Meridien Hotel, the Kuwaiti newspaper Al-ANBA' reported today, quoting eyewitness accounts. The paper said that Mr Bani-Sadr, deposed as president last month after parliament declared him politically incompetent, had been spotted leaving the hotel with three bodyguards. While in Cairo he had met with ex-Shah's widow, Farah, and two ex-Prince Reza, Al ANBA' reported. He was planning to leave Cairo shortly for an unknown destination, after a 10-day stay in the Egyptian capital. [Text] [LD060714 Paris AFP in English 0710 GMT 6 Jul 81]

ANTIREGIME STATEMENTS--Statements have been published by the Mojahedin-e Khalq Organization in which the Mojahed guerrillas have asked the people not to leave their homes at night since they [the Mojahedin] have decided to destroy the religious fundamentalists. [Text] [NC021236 (Clandestine) Radio Iran in Persian to Iran 1130 GMT 1 Jul 81]

TEHRAN POLICE CHIEF ARRESTED--According to international press reports Colonel Malaki, chief of Tehran police, has been arrested. In this report the reason for the arrest or the charges are not specified. [Text] [GF051638 (Clandestine) Radio Iran in Persian to Iran 1130 GMT 5 Jul 81]

NAVY VOLUNTEERS REQUESTED--According to a report from the Khuzestan governor general's office, the navy of the Islamic Republic of Iran requires volunteers that are faithful and adherent to the Islamic Revolution of Iran to complete its requirements for NCOs. Volunteers may contact the (Iranshahr) School located at (`Asia) Avenue, formerly [name indistinct], at Ta'di crossing to obtain the necessary information. [Text] [GF091510 Abvaz Domestic Service in Persian 1130 GMT 9 Jul 81]

OFFICERS ARRESTED--A Free Voice of Iran correspondent has reported that following Khomeyni's statement to the armed forces, revolution guards have already arrested many officers and NCO's on the war fronts or in garrisons. Khomeyni's regime has not yet published a precise report on the number of people arrested but, with the execution of a soldier in Esfahan, it is clear that many officers and NCO's have been arrested. The arrested officers and NCO's have been accused of cooperating with the Mojahedin-e Khalq or of counterrevolution. It is foreseen that with the execution of a soldier in Esfahan the wave of executions of armed forces personnel will start. During the past 24 hours about 64 supporters of the Mojahedin-e Khalq were arrested in Tehran and some other cities. Khomeyni's regime is so extremely worried about the developments and the existence of strong dissatisfaction in the armed forces that it has appointed a colonel as adviser. Colonel (Ramju'i) is to regularly inform Khomeyni of (?developments) in the war and on the situation in the armed forces. Political and military observers state that Colonel (Ramju'i) has been appointed to this post to control Fallahi who has been appointed by Khomeyni as commander in chief. Colonel (Ramju'i's) appointment shows Khomeyni's lack of confidence in the army commanders. [Text] [NC101733 (Clandestine) Free Voice of Iran in Persian to Iran 1430 GMT 10 Jul 81]

ISRAELI-IRANIAN COOPERATION--A Kuwaiti newspaper writes that a number of Israeli businessmen arrived in Washington recently to purchase tanks and spare parts from the United States; they will send the spare parts to Iran. Agencies had earlier reported that Israeli experts have left for Tehran from Sweden to undertake the repair of Phantom jets. At present, the regime that has occupied Jerusalem has extensive indirect cooperation with Khomeyni's regime. [Text] [BK111720 Clandestine] Free Voice of Iran in Persian to Iran 1430 GMT 11 Jul 81]

RAMADAN TRUCE REJECTED--In a statement to PARS News Agency, the official spokesman of the Iranian foreign ministry commented on the recent new year's temporary cease-fire during the holy month of Ramadan. The foreign ministry spokesman said: All just and free nations of the world know that Iran was subjected to aggression by the forces of the infidels. U.S. backed Saddam launched his aggression in the month of Dul-Hij'deh, which is considered one of the holy months. He attacked, killed and undermined the rights of the Iranian Muslim people during the 4 holy months. Now that his forces are about to collapse, he is asking for a truce during the month of Ramadan under the pretext that this month is holy. However, the heroic Iranian people know that Saddam's reason for wanting a cease-fire is to renew his forces in order to continue his aggression. Asked about Iran's stand on this matter, the foreign ministry spokesman said: Iran will not accept a cease-fire anyway and will continue the war with its full power until it fully expels the aggressive Saddamist forces from the Islamic territory. Our fighters are prepared to continue fighting during the holy month of Ramadan even when they are fasting in order to expel the aggressive forces from their Islamic land. [Text] [LD102113] Tehran International Service in Arabic 1100 GMT 2 Jul 81]

USSR AMBASSADOR EXPRESSES CONDOLENCES--The USSR ambassador in Tehran extended his condolences to the prime minister's political assistant, Mohammad Hashemi-Rafsanjani, on the martyrdom of 72 of the best supporters of the Imam. While thanking the ambassador for his condolences, Mohammad Hashemi-Rafsanjani said: This crime is the product of an alliance between international arrogance and its agents against the Islamic revolution in Iran. He added: The Iranian people are not frightened or threatened by such incidents, but are more determined to continue their forward march. Referring to the fact that the Islamic republic places humanitarian issues above all values in political relations, Hashemi-Rafsanjani said: We harbour a special respect for those countries that defend human rights in international forums. [Text] [LD041912 Tehran International Service in Arabic 1730 GMT 4 Jul 81]

CSO: 4600/3

'VOP' COMMENTS ON CHEYSSON STATEMENTS

LD031710 (Clandestine) Voice of Palestine in Arabic 1340 GMT 3 Jul 81

(From "With the Events" Program)

[Text] As the head of the PLO political department concluded his talks with Claude Cheysson, French minister of foreign relations, the Lebanese newspaper AN-NAHAR published a long interview with the French minister, which clarified the outlines of the French stand toward the Palestinian issue. Following is an analysis of the main points:

1. The new French administration considers that it is the right of the Palestinian people to acquire a homeland and the components of a state.

2. The basic objective in the Middle East should be a comprehensive solution, one based, however, on what is possible. In this respect, the views of the French foreign relations minister coincide with Kissinger's views--that is, it is possible to solve minor issues from the perspective of a comprehensive settlement without being held back by specific priorities.

3. As for Palestinian representation, the French foreign relations minister holds that his country does not consider the PLO as the sole representative. Here, it seems clear that the French minister lacks sufficient information in this respect, since he considers mayors as representatives of the Palestinian people, ignoring the fact that these mayors themselves, even in France, have put on record their stance that the PLO is their sole representative and that of the Palestinian people.

4. As for France's relations with Israel, the French foreign relations minister says that his country prefers relations with Shimon Peres, but that this does not exclude establishing relations with any new Israeli Government, irrespective of its leader.

If we examine this general Israeli policy [as heard] in the Middle East, we notice that it requires concentrated Arab efforts to correct its negative aspects, which are considerable. Doubtless, the meeting of Abu al-Lutuf [Farug Qaddumi] with Cheysson will contribute much toward removing many misunderstandings, particularly on Palestinian representation.

However, this meeting should be reinforced by a studied Arab course to ensure a positive French stand, at least proportionate to the magnitude of French interests in the Arab countries.

CSO: 4304/54

[illegible] COOPERATION ACCORD WITH BRITAIN MARKS TURN IN RELATIONS

Paris AS-SIYASAH AL-DUWALIYAH REPORT & MEMO in English No 20, 29 Jun 81 pp 3, 4

[Text]

The signature of an Anglo-Iraqi economic cooperation agreement in London last week confirmed the turn in relations between Iraq and Britain, already begun last year. Relations between the two countries had been cool and even acrimonious, following the expulsion of 11 Iraqi diplomats from London in 1978 and the subsequent jailing of two British businessmen in Baghdad. Though politically significant, the accord is more likely to be appreciated by British companies which were key contributors to Iraq until the middle of last year when they started making a slow comeback.

Among Middle Eastern countries, Iraq is now one of the fastest growing Arab markets for British exports. Saudi Arabia and the UAE are the two largest importers of British goods.

Last year British exports to Iraq were valued at £ 921 million ($1681 million), and this year's figure is expected to exceed £ 1[illegible] million ($1 billion, at current [illegible] rates). The balance of trade in 1980 was, however, in favour of Iraq, which sold $1.04 billion (£ 555 million) worth of goods to Britain, mostly oil.

Iraq has sought to reassure its suppliers recently over the safety of their projects, despite the war with Iran, and has introduced a good measure of flexibility in its contract conditions. A recent budget announcement earlier this year (*Al-Mizaniyah Amah Report & MEMO*, January 26) has also contributed to making Iraq an attractive business proposition given the country's stated determination to continue ambitious development projects, unbalanced by an expenditure on the war.

[illegible] Iraq which, conscious of the country's part of Basra until the outbreak of the war in September, and conquered land inside Iran, as well as political sensitivity had so far discouraged British firms from moving in to the Iraq market. For this part, the Iraqis have also complained of British companies' shortcomings

[illegible] or supplying sufficient data on products, documents or engineering to enquiries and tenders and invitations to short-listed contracts.

However, some British contracts were in Iraq in recent months and more success in the future. Among the most prominent is a £ 63 million deal won by British Steam Consultants' Group (*Middle East Report & NEWS*, May 11), considered significant for opening up further opportunities to construction and equipment firms. British oil equipment companies are also likely to reap benefits from the newly-signed accord as Iraq will have extensive repair work to carry out on its damaged oil installations once the war is over.

[illegible] 4 [illegible]/ 90

[illegible]

AUTONOMY EXPERIMENT--Baghdad, 9 Jul (INA)--The Kurdistan Revolutionary Party (KRP) has asserted that the Kurdish people in Iraq are enjoying national rights embodied in the realization of the autonomous region. The party added that diligent work is underway to develop and consolidate this tremendous gain. In a statement at the end of its 18th ordinary session, the KRP Central Committee said that the racist Persian aggression against Iraq is an advanced link in the Zionist-imperialist plot. The other link of this plot is the treacherous Zionist attack on the Iraqi nuclear installations. At the end of its statement, the KRP called for defending the people's gains, aborting the enemies' attempts, scoring final victory over the racist Persian enemy, developing the autonomous region and making this autonomy experiment a leading experiment in the area under President Saddam Husayn. [Text] [JN0911242 Baghdad INA in Arabic 1200 GMT 9 Jul 81]

YUGOSLAVIA TO BUILD POWER PLANT--Iraq has placed a $370 million order with Hidrogradnje of Yugoslavia for a turnkey hydroelectric power station to be constructed at Haditha, on the Euphrates River north of Baghdad. Reports from the Iraqi capital last week said that about 2,000 workers, mostly Yugoslavs, would be employed on building the plant, which will be equipped with six 110-MW turbines. The contract follows another, worth $140 million, won by Energoprojekt of Belgrade, for the construction of apartment and office blocks in Baghdad. Iraq is Yugoslavia's biggest trading partner in the Arab world, with two-way exchanges last year worth about $1.2 billion, half of the total value of Yugoslav-Arab trade. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 26, 29 Jun 81 p 4]

CSO: 4300/38

[illegible] DISCUSSES 'EXTREMIST' [illegible] IN GOLAN

TA251653] Tel Aviv IDF Radio in Hebrew 1110 GMT 25 Jun 01

[Text] The extremist Druze who threaten their friends not to accept Israeli identity cards are on the level of instigators and terrorists and the State of Israel will deal with them with a very strong hand stated Deputy Defense Minister Mordekhay Zeipori during a tour of the Druze settlements on the Golan Heights today. Zeipori met with Druze settlers known for their loyalty to Israel and with the heads of Druze local councils as well as with senior officers of the military government. The tour was also attended by the coordinator of activities in the territories, Maj Gen Dani Nat. Our correspondent in the north, Menahem Horowitz, also joined the tour.

[Begin recording] [Horowitz] Two Druze settlers from the village of Majdal Shams in the northern part of the Golan Heights were arrested by the military government last month on suspicion of having instigated against the State of Israel and of having threatened Druze who had applied for Israeli identity cards. Deputy Defense Minister Mordekhay Zeipori who toured the northern Golan Heights today met with some of these Druze inhabitants who openly declared their loyalty to Israel. The deputy defense minister said that the State of Israel would adopt a firm hand against those extremist Druze who incite against the state and the military government.

[Zeipori] The State of Israel cannot bear the harassment of people for any of their decisions, especially when upon examining the leaders of this harassment one sees that these are people who had been charged with espionage in the past, people who spent years in prison, people whose statements are extremely anti-Israeli and they have the same status as instigators and terrorists.

[Horowitz] Mordekhay Zeipori said that nobody would compel the Golan Druze to take Israeli identity cards.

[Zeipori] The Druze sect in Eretz Yisra'el and beyond its boundaries is very well aware of our attitude toward the Druze, they know how we always tried to help them. When some irresponsible people try to exploit the Druze to impose their will--this is an intolerable act and we will have to find ways to deal with it and we are dealing with it.

[Horowitz] In the town of the Druze settlements in the northern Golan Heights, Deputy Defense Minister Moredekhay Tsipori was accompanied by the coordinator of activities in the territories, Maj Gen Ehud Ne'i. We asked the latter to refer to the administrative arrest of five Druze inhabitants at the beginning of this week.

[Ne'i] The latest five Druze who were arrested simply instigated strikes and so on. Therefore, (I ordered) their arrest.

[Horowitz] Sir, how do you explain the recent escalation among the Druze on the Golan Heights?

[Ne'i] I do not think it is a question of an escalation. There we simply encountered a combination of religious and politics. There should be an absolute distinction between religion and politics. Whoever wants to get an identity card will get it and whoever does not want to receive a card will not get it. This has no connection whatsoever to religion. [end recording]

CSO: 6313/12

[illegible] COMMENTARY ON BEGIN-AL-SADAT RELATIONS

TA2D1318 Tel Aviv DAVAR in Hebrew 10 Jul 81 p 14

[Commentary by Nagay Eshed: "The Alliance Between al-Sadat and Begin"]

[Text] If there is one person, more than anyone else, to w[illegible] Begin ought to be grateful for his victory in the elections, that person is Egyptian President Anwar al-Sadat. Not only did al-Sadat agree to confer with him in Ofira--a meeting which became one of the most important cards played by the Likud during the election campaign--but he intervened time and again on Begin's behalf and against the alignment until the very last days before the elections.

Al-Sadat reiterated that the peace policy would continue in any case--a true statement on its own merit--that is, even if Begin won the elections nothing would make the wheel turn back. (Later on I will dwell upon the hard blow al-Sadat dealt to the alignment and its leaders.) Al-Sadat is even now helping Begin to speed up the formation of the government. He has expressed his willingness to invite Begin to a meeting in Alexandria prior to his trip to the United States in August, if the new government is formed by then.

Al-Sadat is not doing this for free and without receiving anything in return. Al-Sadat is a man who measures his stripes carefully and all signs indicate that he regards Begin as the Israeli leader whose help to Egypt in achieving its historic goals cannot be compared to any other. Begin has time and again been playing into al-Sadat's hands and he will apparently continue to do so also in the future.

Al-Sadat has several times described the historic goals of the Egyptian peace policy. He is not looking forward to small and ephemertal gains and he is not plotting a new war against Israel after April 1982. Neither is he rushing to return to the lap of the Arab world as a poor relative asking for the generosity and mercy of his Saudi, Iraqi, Syrian and Libyan brothers. Al-Sadat sneers at them and does not urgently need them, especially not now. Al-Sadat has more than once said that Egypt is the only real state in the area and the Egyptian people is the only real people, a people which, according to al-Sadat, has a history of 1,000 years. All the rest are a bunch of tribes led by corrupted and degenerate leaders (al-Qadhdhafi and al-Asad are lunatic, Numayri is a crazy dwarf, the Saudis are casino gamblers and so on and so forth).

The Israelis are certainly neither a people nor a state, but mainly a sort of strange religious entity with several vague ethnic and national characteristics.

To fight against all this would be a gross waste of means, resources and human lives. Anything desired that cannot be obtained through dangerous and wasteful war means can be achieved through a long-range peace policy. The Yom Kippur War was the last war Egypt needed to achieve its historical goals. Henceforth, Egypt can proceed through peaceful means to consolidate its position as a dominant element among all the countries in the region and as the main ally of the United States.

Strengthening its alliance with the United States is more important to Egypt now than returning to the Arab world. Egypt now mainly needs to strengthen its position within the United States, and to increase its share in the U.S. aid at the expense of all the rest who also enjoy this aid since there is a limit to the total U.S. assistance. Al-Sadat's Egypt wants to be the main spokesman of the Middle East in the international league of superpowers--the United States, the Soviet Union, Europe--rather than leaving this task to the Saudis, Iraqis, Jordanians or the PLO.

Each one of these states and all of them together, and most of all Israel, rival Egypt in the distribution of the U.S. cake. Al-Sadat does not want to have any other option in the Middle East other than peace, responsibility, status and aid--neither of Jordanian nor a Saudi option. Moreover, al-Sadat does not want any Israeli option, he is only interested in the Egyptian option.

Al-Sadat also wants to continue the Egyptian peace policy toward Israel after April 1982 because there is nothing like it for achieving the goals that al-Sadat and his associates have outlined time and again, namely, first and foremost that Israel is rendered incapable of upsetting Egypt in the U.S. arena (it will not receive nuclear reactors or any other U.S. assistance) and of competing against it.

Beyond this short-run goal lie the long-run goals of "shrinking Israel to its natural dimensions" through peaceful means, that is, to put it down, main it, increase its isolation in the world, to drive an ever-widening wedge between it and the U.S. administration, congress, public opinion, and the Jewish community, to constantly put Israel on the culprits' bench bearing the stigma of a country oppressing the "legitimate rights of the Palestinian people" a violator of rights and a usurper.

Egypt will not react to this with war but will rather clench its teeth, show restraint and condemn and will try to influence world public opinion in its favor and against Israel. Israel will increasingly turn into the "leper" of the region and the world whereas Egypt will deserve everybody's praise, support and assistance for not retaliating against Israel as it deserves and for, in spite of everything, not breaching the peace treaty but merely suspending the normalization (while picking the cream of those aspects in the normalization that benefit it--tourism, agriculture, medicine and so on).

These are the historical aims of al-Sadat's peace policy, as they have been written and spoken dozens of times. To disregard them is very similar to the disregarding of al-Sadat's open declarations before the Yom Kippur War regarding the inevitability of war.

Who better than Menahem Begin to help al-Sadat achieve these goals? Who like Menahem Begin make it easy for al-Sadat to bolster Egypt's standing in the United States? Who like Menahem Begin torpedoes every other option for peace and stability in the Middle East? Who like Menahem Begin interferes with the U.S. search for other Middle East dialogue partners besides Egypt? Who like Menahem Begin is blocking Israel's return to the path of negotiations and resolution of the Palestinian issue, to the making of peace on the eastern front, too, and the linking of peace on the eastern front to the completion of the withdrawal from Sinai?

There is no one like Menahem Begin for helping al-Sadat in the process of dwarfing Israel domestically and externally, in "cutting Israel down to its natural size," in intensifying its international isolation, in driving wedges between Israel and the United States, in undermining the unity of the Jewish people in Israel and in the diaspora, in deepening the ethnic and religious split in Israel and in the United States (the cordial and enthusiastic alliance with the extremist orthodoxy to deepen the boycott and the coercion against the conservative and reform streams by changing the law of the return is just one example of this). There is no one like Menahem Begin for weakening the main sources of strength of the Zionist revival in our time: the agricultural settlements, Hevrat Ha'ovdim [the Histadrut's holding company], the Histadrut.

Al-Sadat is in no hurry for a comprehensive peace in the Middle East. To the contrary: Al-Sadat is in no hurry to open additional options for peace between Israel and its neighbors. He rejects the Jordanian option and the Saudi option and every other Arab option that would interfere with the attainment of the historical goals of Egypt's peace policy as previously described, and al-Sadat or his aides have written and stated.

Dozens of times, al-Sadat understood well that the alignment's Jordanian option would not help him achieve his goals and that an alignment-led government would interfere with his plans.

Al-Sadat invited Shim'on Peres, Abba Eban and Mayir Bar-lev to Egypt, and there, as a host, al-Sadat did the most unforgivable thing possible according to Middle East rules of hospitality. He slapped his guests across the face in public. He pulled the Jordanian option out from under them--an option which could have led Israel and the entire region toward a comprehensive peace (before completion of the Israeli withdrawal from all of Sinai). Al-Sadat left the alignment without a realistic alternative to Begin's dead-end policy.

Al-Sadat needs Begin--and Begin alone--in order to continue the process of cutting Israel down to size and to move Egypt forward toward the attainment of al-Sadat's historical peace policy goals. Al-Sadat helped Begin get re-elected and he interfered with Peres' election, as much as he was able to do these things. Al-Sadat knows what he is doing. And we are now caught up in the midst of a new Israeli conception, which disregards Egypt's true goals and the means it uses to attain them--once through war, now through peace.

CSO: 4323/12

BETHLEHEM MAYOR ON SHARON, ARAB-JEWISH RELATIONS

TA1000810 Jerusalem POST in English 10 Jul 81 p 2

[Report by Avraham Rabinowich]

[Text] Bethlehem--Mayor Ilyas Freij says he is not frightened by the prospect of the hardlining Agriculture Minister Ari'el Sharon being appointed defence minister.

"It is always good to deal with a strong man," Bethlehem's mayor said in an interview this week. "We can make decisions. I would, however, have preferred Labour's Mavim Sar-Lev. I know him and like him. I do not know Sharon except for what I read."

Freij, the most moderate leader in the West Bank, said the Arab residents of the area were "mistrustful" of the Likud and that restlessness could be expected if the new government intensified settlement in the territories.

"If anybody tells you things will be quiet, he is wrong," said Freij. The settlement issue, he said "encouraged fanaticism and destroyed the slightest chance of a political settlement."

The mayor, who stayed until 1 a.m. on election night last week to watch the results on television, believes he witnessed the emergence of the "Arab Jews" into the forefront of the Israeli electoral scene, a development he says will eventually lead to peace.

"It is the beginning of the end for the Ashkenazi Jews," he said. "Many will leave the country and they will become a minority like the Christians are here."

Jews from Arab countries will eventually prove more amenable partners for peace with Arabs than Ashkenazi Jews, says Freij who is himself an Arab Christian. "We call them Arab Jews, not Oriental Jews. Their standard of life is not really better than that of the Arab population. In the present situation, they are tougher towards the Arabs than the Ashkenazi are. But in the end they will recognise the futility of continuing the struggle. They have the same background as us. They are Oriental. The Arab Jews and the Arabs here will have to live with each other and fight each other and learn to coexist."

Freij said he envies the free speech and right of criticism evident during the election campaign, including the tough questions put by journalists to political leaders. "There are many Arabs who feel that this free speech is what enabled Israel to be so strong," he said.

CSO: 4300/37

ARABS POLLED ON VIEWS ON JERUSALEM

TA060800 Jerusalem POST in English 6 Jul 81 p 2

[Staff report]

[Text] In the first poll ever to include East Jerusalem Arabs by Israeli researchers, 47 percent expressed support for a city that is united physically, at least "under special conditions," while 42 percent opposed it.

The citywide poll, carried out by Hanoch Smith for the municipality, included more than 300 Arabs among the 990 people surveyed.

Fourteen percent of the Arabs polled expressed unqualified support for a united city, while 33 percent said they favored it "under special conditions." The poll did not specify what "special conditions," but presumably these referred to some sort of Arab self-rule.

The poll also showed that 63 percent of the electorate would vote for Teddy Kollek as mayor, slightly more than voted for him two years ago, while 71 percent would vote for a list headed by him. A municipal spokesman said this political part of the poll was paid for by contributions raised by Kollek himself.

Sixty-three percent of the Jews polled said the city has a better "general atmosphere" than any other city in the country. Seventy percent expressed satisfaction with the municipality's handling of the city's unification.

Three-quarters of the Jews said they opposed placing an Arab flag or a Jordanian policeman at Muslim holy places. The same number opposed internationalizing Muslim or Christian holy places, or partial Arab self-rule. More than 60 percent favoured Arab-Jewish cooperation in sports, commerce, health services and public transportation, but 81 percent objected to cooperation in education or housing.

Fifty-two percent of the Arabs polled said they were satisfied with the municipality and 36 percent were dissatisfied. Most said they favoured more Arab municipal clerks but said that they received fair and courteous treatment from existing clerks. A majority of the Arabs said they wanted more police, clinics, and roads.

CSO: 4300/37

NEW SETTLEMENTS TO BE ESTABLISHED IN WEST BANK

TA100904 Tel Aviv HA'ARETZ in Hebrew 10 Jul 81 p 2

[Report by Yehuda Litani]

[Text] In its meeting at the beginning of this week, the ministerial committee on settlement affairs decided on the establishment of a new settlement, Bat Ayre B in the Neve Zuf bloc northwest of Ramallah. It was also decided to civilianize two Nahal footholds, Ma'on and Karmel in the southern sector of the Hebron Hills. The footholds in the Hebron Hills area will be settled by the two units of "Amana," the settlement movement of Gush Emunim.

The committee also decided on the establishment of a settlement on the ruins of ancient Yatir which will be named Yatir (the settlement presently called Yatir is officially named 'Mahane Yatir"). Several weeks ago, the head of the Jewish agency settlement department, Matityahu Drobles, issued instructions to transfer settlers and resources from settlements in Samaria to a settlement set up in the Lucifer police station in the southern part of the Hebron Hills. Thus, this settlement whose budget has not yet been approved--would be expanded. According to Jewish agency settlement department officials, large tracts of state-owned land in the area have been allotted to the Lucifer settlement. The settlement will make its living on agriculture and cattle-raising.

It has further been reported from the settlement department that Drobles recently issued instructions to pave a dirt road between Mikhmash on the Alon road and Neve Ya'aqov. This road will shorten the distance from the Jordan Valley to Jerusalem by several dozen kilometers. The paving of the road was approved by security elements and it will be completed in the next few days. Several sections of this road had been paved in the last few years. The road will bypass two Arab villages.

CSO: 4123/12

ECONOMIC STATISTICS REPORTED FOR MAY, JUNE

TA3007H Jerusalem POST in English 3 Jul 81 pp 1, 13

[Report by Economic Affairs correspondent Shlomo Ma'oz]

[Text] The government tripled the amount of currency it put into circulation during June as compared to May, statistics released yesterday by the Bank of Israel show. In absolute figures, the June total is 2,839 billion Israeli shekels and that for May, 916 million Israeli shekels. In May, the government camouflaged about half the sum by taking a 870 million Israeli shekels loan from commercial banks.

This 200 percent increase in June--the last month preceding the elections--is greater in real terms by 88 percent than the highest sum injected into the economy during any single month during the incumbency of Yiga'el Hurvitz as finance minister. During September 1980, they put into circulation a total of 823 million Israeli shekels which is equivalent to 1.5 billion Israeli shekels in today's prices.

In sharp contrast with the May-June trend, the government in April took out of circulation a total of 187 million Israeli shekels.

The rise in the means of payment in May and June is accounted for by the increased government subsidies for basic commodities and the payments to different economic sectors, such as agriculture and industry, to cover their losses from natural disasters, differences in exchange rates and other causes.

As a device to counter-balance these sums put into circulation, savings schemes did not attract the general public as they had in previous months.

Economists in the treasury and the Bank of Israel believe that the government will be forced to raise the prices of basic commodities, including that of fuels.

Total tax collection in May amounted to 6.4 billion Israeli shekels which was a 128.5 percent increase compared with May 1980. But in real terms, this increase is in the range of 2.6 percent to 4.4 percent, depending on the inflationary rise during June. This rise is estimated by the treasury to be 3.3 percent, though other observers put it at 5 percent.

Statistics of the State Revenues Administration [SRA] show that the greatest increase in June tax collection is marked up to the added value tax: 1,762 billion Israeli shekels, which is 15 percent more than June 1980, in real terms. SRA sources say that this increase is the greatest for any one month in real terms. Treasury sources explain the rise by greater economic activity and by the continuing sharp devaluation of the shekel relative to the U.S. dollar which has caused a rise in prices.

Taxes on local production totalled 2.091 billion Israeli shekels during June, a rise of 8.5 percent in real terms compared to June 1980. Customs and excise collection in June came to 760 million Israeli shekels, compared to 357 million Israeli shekels last June, which is a real increase of 35 percent. But despite this increase when these two months are compared, the general trend since April this year has been one of decline in the total revenue and excise taxes collected. This decline reflects a slow-down in imports of consumer goods.

In real terms, income tax collection lags behind because of changes in tax brackets. Thus, the total for June 1981 was 3.5 billion Israeli shekels, which was the amount collected last June.

CSO: 4300/37

[illegible]

WEST BANK WATERWORKS--The Water Commission is carrying out infrastructure work in Judaea and Samaria with an investment of 90 million shekels without any budgetary cover for this in the budget law. Our correspondent Yigal Goren has learned that 2 weeks ago the Water Commission requested the Finance Ministry to approve this budget deviation, but the budgets department is refusing to approve a deviation which is so large and which does not appear in the budget law. About 20 million shekels were approved in this year's budget for water development work in Judaea and Samaria. [Text] [TA281935 Jerusalem Domestic Television Service in Hebrew 1900 GMT 28 Jun 81]

NEW GAZA STRIP SETTLEMENTS--Jerusalem, 28 Jun--Education and Culture Minister Zevulun Hammer was today the guest of honor at a ceremony in which the Moshavim of Gadid and Ganor were inaugurated in the Qatif bloc in the Gaza Strip. The minister stated that the first settlers at the new sites are the pioneers of our day. He expressed his confidence that thanks to their energy and steadfastness the two new Moshavim would strike roots. Also taking part in the ceremony were Mr Ra'anan Weitz, one of the heads of the Jewish agency's settlement department; the head of the regional council and leaders of the Moshav movement. [Text] [TA281918 Tel Aviv ITIM in Hebrew 1900 GMT 28 Jun 81]

ILLEGAL SAMARIAN SETTLEMENT--A group of settlers calling themselves Netafim claim to have taken without permission a plot of land in Samaria, west of Ari'el. The head of the group told our correspondent Avraham Ben-Moleh that the group includes 100 families. Their requests to receive a site to settle on have so far been rejected. Our correspondent has learned from the Jewish agency settlement department that the reference is to a group of people who does not belong to any settlement movement and that it had been suggested to them that they join one of the existing settlement movements. Incidentally, the military government which is in charge of this area, has not yet reacted to this event. [Text] [TA281128 Jerusalem Domestic Service in Hebrew 1100 GMT 28 Jun 81]

W. BANK BUILDING PLANS--The military authorities refuse to approve building plans of several building associations in Judaea and Samaria that act with the encouragement of Jordan and the PLO. The joint Jordanian-PLO committee decided about a a year ago that the vacant areas in Judaea and Samaria should be settled. It was

decided that every settler would receive a big loan without interest. The Bi'r Zayt Building Association now claims that the military authorities rejected its request to build a building with about 30 housing units. Our correspondent Dikhe Yishay has learned that the military authorities turned down other associations which organized to receive aid from the joint Jordanian-PLO committee for various needs. The largest building association of state workers in Judaea has not yet received an approval for its plan to build a sort of ghetto near 'Anabta in Samaria. According to plans some 300 housing units as well as public institutions are supposed to be set up there. [Text] [TA2716J9 Jerusalem Domestic Service in Hebrew 1500 GMT 27 Jun 81]

[illegible] ARMS DEPENDENCE--Head of research and development in the defense establishment, Brig Gen Aharon Bat-Galahmi, says that Israel is technologically capable of considerably lessening its dependence on foreign arms suppliers. Talking to our military correspondent Shim'el Tal, the head of research and development said that should the Western powers join hands in preventing us from obtaining weapons, they might succeed in this. However, he said, Israel is capable of producing conditions in which the influence of an embargo on Israel's ability would be delayed. Brigadier General Bat-Galahmi remarked that there are economic difficulties in the development of expensive sophisticated weapons in small quantities, such as Israel requires, but because of its security needs, Israel is developing these weapons despite all the difficulties. [Text] [TA0203J6 Jerusalem Domestic Service in Hebrew 0500 GMT 2 Jul 81]

ELECTRICITY AREA IN SAMARIA--The electricity corporation has completed the building of the three major high-tension electricity axes in Samaria. This will enable the company to supply electricity to the Jewish and Arab settlements in the entire Samaria. In the future this system of electric lines is expected to be connected to the electricity network in the Jordan Valley settlements. Until now seven Jewish settlements have been connected to the national grid through the new lines: Qarnay Shomron, Tapu'ah, Ma'ale Shomron, Shave Shomron, Ari'el, Elqana and Beddamin as well as three Arab villages. In about a year a regular supply of electricity will be extended to another 14 Arab villages. The investment in the building of the system, at today's prices, amounts to about 60 million shekels. [TA0115J7 Tel Aviv HA'ARETZ in Hebrew 1 Jul 81 p 1 YA]

[illegible] PARTY PROPOSED--Shim'on Peres will today be invited by Shmulik Alomi to appear before Citizens' Rights Movement [CRM] activists to explain the significance of his proposal that the CRM join the alignment as a faction. On Saturday Peres proposed to Alomi and her colleagues to join the alignment in the status of a faction, as in the case of Mapam. Thus, the alignment would obtain 48 Knesset mandates--the same as the Likud--and this would reflect immediately on the struggle for chairmanship of the Knesset committees. Alomi raised the proposal with the heads of her party who asked that Peres appear before them to explain the details of his offer. Alomi suggested to Peres to offer a similar proposal to the Shinuy movement. However, it appears that Shinuy is so far not prepared to join the alignment. The day after the elections MK Amnon Rubinstein suggested to the CRM and the independent liberals to set up a middle-of-the-road bloc and, at the initial stage, that the CRM and Shinuy cooperate in the Knesset. Rubinstein's proposal was discussed by the CRM and the proposal to cooperate in the Knesset was received positively. Alomi said that, as of tomorrow, she would be ready to cooperate in the Knesset with Shinuy as if they were one faction and that "the idea to set up a radical center movement is an important notion. The question is how does one go about setting it up." [Text] [Dina Barzel] [TA0610J0 Tel Aviv HA'OLAM HAZEH in Hebrew 6 Jul 81 p 1]

SETTLEMENTS CENTER NEAR RAMALLAH--Near Ramallah and al-Birah, on Jabal at-Tawil Hill, a regional center has been established for Jewish settlements in the vicinity. Our correspondent Avraham Ben-Meleah reported that three buildings have been constructed for the Jewish regional council of Mate Binyamin and they have been used for more than a week. According to the plan approved by the military government, the rest of the regional council services will be transferred to the site, to be called Pesagot. A school will also be established there. So far no official approval had been given to set up a settlement there, but the members of the regional council have been trying to obtain one. Our correspondent noted that Jabal at-Tawil, over 900 meters high, overlooks Ramallah and al-Birah, whose centers are only a few minutes away by car. The military government seized the land on the hill more than 3 years ago. Some of the plots were seized by virtue of a military order, entry and cultivation was prohibited on other plots, and another 100 dunums were declared state owned. The regional center under construction on Jabal at-Tawil is within the plots of state-owned land. [Text] [TA070]568 Jerusalem Domestic Service in Hebrew 1500 GMT 5 Jul 81]

EMIGRATION FROM USSR--Only 886 Jews were allowed to leave the Soviet Union in June, of whom 84 percent dropped out in Vienna. Since the beginning of the year only 6,669 Jews have been allowed to leave the Soviet Union. Some 5,567 dropped out in Vienna and 1,102 went on to Israel. Altogether, 800 new immigrants arrived in Israel in June, with the total for the first half of 1981 standing at just 5,[illegible]00. [TA051801 Tel Aviv HA'ARETZ in Hebrew 5 Jul 81 p 6]

DRUZE TEACHERS PUNISHED--The military government on the Golan Heights has terminated the work of three Druze teachers who were accused of inciting against other teachers and students who had accepted Israeli identity cards. Other teachers who took part in organizing the religious and social boycott against those who accepted Israeli identity cards have been transferred to other schools. Our correspondent Yo'el Dar reports that all the teachers on the Golan Heights were informed about these measures in a meeting which took place in the village of Mas'adah on the eve of the elections. Several Israeli soldier teachers and teachers' college graduates who live in the Golan will be employed in the next school year. Several dignitaries who object to the distribution of Israeli identity cards told our correspondent that they were looking into the possibility of totally paralyzing studies next year in protest against the new measures. [Text] [TA030931 Jerusalem Domestic Service in Hebrew 0500 GMT 3 Jul 81]

ROAD TO SAMARIA SETTLEMENT--Ground-breaking work for Shavo Shomron "B" settlement near 'Anabta in Samaria recently began after being delayed by an interim order issued by the high court of justice. A third road is now being paved to the new settlement after work on two other roads, which cost a considerable sum of money, had been completed. [as published] The paving of one of these two other roads was stopped by a supreme court order. Work on the second road then began and this too was stopped by a supreme court order. Now, as mentioned above, the paving of a third road has begun. Ze'ev Ben-Yosef, the spokesman of the Zionist organization settlement department said yesterday that it is possible for a route of a road to be changed after construction is begun. Work is underway on both paving the road and preparing the infrastructure for houses on the hill overlooking 'Anabta and the Nablus-Tulkarm road. [Text] ['Amos Levav] [TA090858 Tel Aviv MA'ARIV in Hebrew 9 Jul 81 p 4]

SETTLERS IN YAMIT STRIP--Settlers from Judaea and Samaria have recently moved to the Yamit Strip in an effort to increase opposition to the evacuation of the strip, which is due in the spring of next year. This has been learned by our correspondent Avraham Ben-Meleah. The settlers from Judaea and Samaria decided on this move when it became clear that most of the inhabitants in the Yamit Strip had acceded to the evacuation and had agreed on the rate of the compensation they would receive. Therefore, the Tehiya movement and the Tzvi and Ma'oz organizations in the Yamit Strip decided to secretly bolster the settlements in that area. According to the plan a group of people will arrive on time to replace each family leaving the area and they will adopt measures to prevent the withdrawal. [Text] [TA0907]59 Jerusalem Domestic Service in Hebrew 0600 GMT 9 Jul 81]

NEW GOLAN HEIGHTS SETTLEMENT--A new settlement by the name of Metzar, the 29th settlement on the Golan Heights, was set up near the Syria-Jordan-Israel border junction in the southern Golan. The first nucleus of settlers arrived yesterday. This is the 10th kibbutz in the Golan. [Excerpt] [Yitzhaq Ben-Horin] [TA0712]0 Tel Aviv MA'ARIV in Hebrew 7 Jul 81 p 6]

LEBANESE CHRISTIANS AID--Israelis favor extending aid to the Christians of Lebanon, both in the south and north of that country. This emerges from a countrywide opinion poll of the Dori Institute, conducted at the behest of HA'ARETZ. Of the polled, 34.9 percent favor "all necessary aid in weapons, excluding dispatch of the IDF or controlled attacks by the air force" in southern Lebanon, and 13.1 percent favor extending such aid also to northern Lebanon. "IDF intervention including full aerial assistance" is favored by 14.1 percent for southern Lebanon, whereas 5.9 percent favor such an extensive assistance also for northern Lebanon. "Limited aid in weapons" is favored by 15.6 percent for southern Lebanon, and 27.8 percent favor such an assistance to northern Lebanon, too. Against any aid whatsoever to southern Lebanon are 7.9 percent and 23.7 percent object to giving any assistance to northern Lebanon. Some 8 percent of the polled are undecided on the issue. The poll encompassed a representative cross section of 1,200 men and women, privately interviewed at their homes throughout the country. [Text] [TA0712]00 Tel Aviv HA'ARETZ in Hebrew 7 Jul 81 p 1]

GAZA OFFICIAL'S RESTRICTIONS--The Gaza Strip military government today handed to the director of the regional Red Crescent organization, Dr Khaydar 'Abd ash-Shafi, an order limiting his movement in the area for 6 months. The order confines him to within the boundary of the city. For a period of approximately 1 year, Dr Khaydar has been under such confinement by virtue of a verbal order, as part of the hardline policy against the national guidance committee. He had appealed to the high court of justice, which had directed him to the military government appeals committee. Dr Khaydar is close to the extreme left. [Text] [TA0721]0 Jerusalem Domestic Service in Hebrew 2100 GMT 7 Jul 81]

W. BANK MAYOR FIRED--Hebron, 10 Jul--The Judaea and Samaria military government this week dismissed al-Zahiriyah mayor 'Ali Yasin (al-Muhtasib) after a legal investigation showed that he committed a security violation, in contravention of the Jordanian law. Several months ago the mayor had been found guilty of providing shelter to a person wanted by the security forces, and the court

sentenced him to 2 months in prison. After the term had been served, the military government decided to fire him in accordance with the Jordanian law, which permits dismissal of a publicly elected figure if he had transgressed and committed a felony or a security offense. The town of al-Zahiriyah is situated on the main Hebron-Beersheba road. [Text] [TA1010Z] Tel Aviv IDF in Hebrew 1631 GMT 10 Jul 81]

RETURN TO TAMIT OPPOSED—About one-third of the population supports the position of the Yamit district settlers that the area should not be evacuated despite the peace agreement with Egypt. About one-half of the population is opposed to the settlers' stance. This emerges from the nationwide public opinion poll conducted by the Dori Institute and commissioned by HA'ARETZ. To the question--"Do you support or are you opposed to the Yamit district settlers' position of not evacuating the area despite the peace treaty with Egypt?--38.6 percent said they support the position while 48.8 percent said they are opposed to it. Of all those polled, 3.1 percent said they will support the settlers' position only if the peace treaty is changed in accordance with the settlers' wishes or if the settlers agree to remain in the area under Egyptian rule. The remaining 11.5 percent did not express an opinion either for or against. People with higher education, holders of academic and administrative positions, people of European and American origin as well as people with high incomes are more likely to oppose the settlers' position while manual workers and people of Asian and African extraction are more likely to support the settlers' position. The poll encompassed a representative sample of 1,200 men and women who were personally interviewed throughout the country. [Text] [TA0910Z] Tel Aviv HA'ARETZ in Hebrew 9 Jul 81 p 3]

LIBERALS OPPOSE RETURN LAW—Several liberal party Knesset members said today they would oppose the proposed change in the law of return, as requested by Agudat Yisra'el in the coalition agreement. The Knesset members stated they cannot be relied upon to guarantee the future coalition majority if asked to accept orthodox conversions to Judaism as a sole condition for defining who is a Jew. [Excerpt] [TA0915Z] Jerusalem Domestic Television Service in Hebrew 1900 GMT 9 Jul 81]

DRUZE STUDENTS IN GOLAN—About 80 Druze students, including members of the Syrian Ba'th Party and members of extremist Syrian organizations, arrived here yesterday to spend their summer vacation with their families in the Druze villages in the northern Golan Heights. This is the first time that students who are known to be members of the Syrian ruling party have visited their families in Israeli territories. This visit was made possible through the mediation offices of the Red Cross and the United Nations with the Israeli authorities and the IDF as well as the requests of the Druze students and their families. Some of the Druze who crossed into the Golan through the border checkpoint at al-Qunaytirah were graduated from Damascus University and intend to stay for a long time with their families in the Golan. The remainder will return to Syria within 1 month to complete their studies. [Excerpt] [Shim'on Golan] [TA1010Z] Tel Aviv DAVAR in Hebrew 10 Jul 81 p 3]

CSO: 4213/12

SUPREME SOVIET PEACE CALL SUPPORTED

[illegible] Amman Domestic Service in Arabic 1200 GMT 4 Jul 81

[Text] Amman--The National Assembly has replied to the USSR Supreme Soviet's call to world parliaments and peoples.

In its reply, the National Assembly stated that the Jordanian parliament has received with interest and appreciation the Supreme Soviet's call for peace, addressed to world parliaments and peoples, which comes in a historical stage characterized by the race to obtain nuclear weapons and conventional arms and the recourse to violence to resolve problems and disputes.

As a country which has suffered the results of wars and the ferocity of aggression, which realizes the tribulations and destruction mankind is suffering from and which is witnessing an escalating and uncontrolled nuclear arms race in the world that is posing a threat to the entire world, Jordan appreciates the dimensions of the call and stresses its strong concern and firm determination to work for peace and its achievement.

It is a great tragedy that in this age the world is facing two principal enemies, that of hunger and the arms race, while hunger can be wiped out with the funds that are spent on arms and a civilized humanitarian society can be established that will be able to resolve its disputes through peaceful means and whose members will respect one another. There is no doubt that emanating from a big power which wields influence, the initiative will encourage other countries to respond to the call and reaffirm to the world the Soviet Union's concern over the negotiations to reduce nuclear weapons and to prevent threats to use force for the purpose of obtaining military gains.

The National Assembly also stated that under the leadership of His Majesty King Hussein, the man of peace, Jordan sought in the past and will continue in the future to alert the world to the dangers that had been caused to the world by previous wars and to the possibilities of explosions and their destructive results for all. Jordan will seek to build bridges of mutual understanding among the countries' leaders for the submission of peaceful and just initiatives that will save mankind and will create an atmosphere of mutual respect among countries. This will guarantee safety and stability for their people, which is needed for building their society that will be more secure and prosperous.

The Jordanian parliament appreciates all the good efforts contained in this call in the service of peace and mankind's happiness and stresses that it will cooperate with the world parliaments for the sake of mankind's happiness, stability and security.

CSO: 4304/83

KUWAITI PRESS ON LEBANESE, MIDEAST CRISES

LD0810130 Kuwait KUNA in Arabic 0720 GMT 8 Jul 81

[From the press review]

[Text] Kuwait, 8 Jul (KUNA)--Three Kuwaiti papers today comment editorially on the Lebanese and Middle East crises in the light of the new developments and the efforts being exerted for finding political solutions for them.

Commenting on Syria's demand for the Lebanese Phalangists to sever their relations with Israel, the newspaper AL-QABAS writes that the true and undeclared problem which the follow-up committee on Lebanon faces is "not, in fact, securing the Phalangists' repentance and ending of dealings with Israel but whether Syria is prepared to withdraw its forces from Lebanon and the conditions it sets for such a withdrawal."

The paper expresses its skepticism about yesterday's announcement by the Phalangist Party to the effect that it has delivered a note to Lebanese President Ilyas Sarkis declaring the party's "readiness" to sever relations with Israel. The paper sees the note as "one of the familiar political maneuvers in Lebanon" because the Phalangist Party "was born, grew up and was nurtured in the lap of the foreigners and consequently it would be difficult for it to continue to live without dependence on a foreign power."

The paper affirms that the actual severance of relations with Israel by the Phalangists "might ease the Lebanese crisis and place it on the beginning of the road to solution, but the road is long, crooked, hard and fraught with dangers."

The newspaper AL-ANBA', however, expresses its conviction that Lebanon's deliverance lies "in the bold national decision which the Phalangist Party should take with regard to dealings by its leadership and some of its members with Israel." The paper adds that this basic pan-Arab demand, which the Arab follow-up committee on Lebanon has succeeded in achieving, "admits no controversy or compromise."

Addressing the Lebanese people's various sections and factions, the paper writes, "Let our Lebanese brothers rest assured that we will never abandon them at any time once they abandon our enemy and theirs. We dedicate ourselves to Lebanon and the brothers: to save it, work for its stability and construction and do all that pleases it."

Concluding, the paper writes that the Lebanese should recognize that the first and most important reason for the war between them was their fight for power and the belief by each side that the time has come for seizing the whole Lebanese map politically and militarily.

The newspaper AS-SA'Y AL-'AMM today criticizes the statements by Minister of State Douglas Hurd on the European initiative for resolving the Middle East problem. It writes that the British minister of state wants through this initiative to extract PLO recognition for the state of Israel.

The paper adds that the United States is working hard, trying to make use of the European countries to extract a concession from the PLO, whose political department chief Farug Qaddumi declared yesterday that it will henceforth deal with the European countries individually.

The Arabs are responsible for the disintegration of the European efforts on the Middle East, particularly since the Europeans have come to realize that the American anti-Arab stance "has not suffered any shocks in the Arab area--indeed has scored some favorable points," it adds.

The peace which the United States wants is Arab capitulation to Israeli brute force and to American hegemony and consequently capitulation to disunity, poverty, illiteracy and illness, the paper affirms.

It expresses its belief that if Begin continues in office in Israel, then the likelihood of fresh Israeli aggression against some Arab areas will increase, particularly since Israel has begun to spread reports about alleged Syrian-Soviet maneuvers.

CSO: 4304/54

KUWAITI PAPER ON USSR MIDEAST PRESENCE

GF070457 Kuwait AL-QABAS in Arabic 6 Jul 81 p 1

[Editorial: "The Soviet Maneuvers"]

[Text] The Soviet-Syrian joint maneuvers simply mean that Syria is not alone and is supported by a superpower, the Soviet Union, in the same way that Israel is not alone and is supported by another superpower, the United States.

It is natural for the Americans to be annoyed by the presence of the Soviet fleet in the Mediterranean, for they consider the Mediterranean to be a Western lake. However, the United States is responsible for the increasing Soviet presence in the Arab region.

This situation is the result of a longstanding U.S. policy that is totally biased in favor of Israel. If this policy has led to Egypt's (temporary--God willing--) separation from the Arabs, it has on the other hand driven the Arabs toward closer cooperation with the Soviet Union to restore some kind of balance. For instance, Syria has had close cooperation with the Soviet Union for many years, but it has firmly refused to sign a friendship and cooperation treaty with the Soviet Union. Syria used to make up for this by the Arab solidarity in which Egypt played a great part. When Egypt left the Arab ranks as a result of the Americans' encouragement and temptation, Syria was obliged to make up for its loss of Egypt by signing the friendship treaty with the Soviet Union.

Iraq is currently seeking to resuscitate its friendship and cooperation treaty with the Soviet Union. If the United States should continue in its pro-Israeli policies and its disregard for the Arabs' national aspirations, then we would not be surprised if the 1980s witness the establishment of diplomatic relations between the Soviet Union and all countries of the Arabian Peninsula without exception.

CSO: 4304/54

KUWAITI PAPER COMMENTS ON CONSEQUENCES OF ISRAELI ELECTIONS

GF0607132 Kuwait AL-QABAS in Arabic 4 Jul 81 p 1

[Editorial: "Begin Returns on Crutches"]

[Text] The senior Pentagon official who wagered a 1 Kuwaiti dinar bet that Reagan would achieve peace in the Middle East (See Ra'uf Shaburi's Pentagon interview published in AL-QABAS on 3 June 1981) will most probably lose his bet. The results of the Israeli elections give the United States a "legitimate excuse" to extricate itself from its promises to embark on a peaceful initiative and to apologize to the Arabs for its inability to do anything, because the results were "unexpected."

Although Begin will return to office (if he succeeds in forming a government) he will be back on crutches, with his nose broken and his bones fractured and wrapped in bandages.

As a result of the elections, the government is floating in the Knesset sea of a small majority overwhelmed by the waves of a large minority. The government will try to bite off bits of the opposition, while the opposition will try to divide and weaken the government coalition.

If it is true that such a fragile political situation will lead to new Israeli elections in a year from today, then this can only mean that the Middle East crisis is indefinitely shelved. United States President Reagan would then be halfway through his term of office--when usually the election battle for his successor in the White House begins. As Reagan does not wish to renew his term of office in view of his advanced age (he will be 74 at the end of his current term) it is natural that he will not embark on any measures that would entail political adventures whose results are not guaranteed. He will prefer to leave it to his unknown successor to extract the Middle East thorn with his hands, or to expand the thorn-growing areas in the region.

Where do the Arabs stand with regard to all this? They are pitted against all circumstances, including the time factor. This means in practice that the Arabs have a limited period of time within which to act and to agree on unified stands, otherwise the United States, Israel and time will overtake them. This period of grace is a minimum of 3 months with regard to Israel's domestic situation, and a maximum of 1 year with regard to the United States.

CSO: 4304/34

BRIEFS

AID PAYMENTS--Kuwait, 5 Jul (KUNA)--The Government of Kuwait approved in its weekly meeting today the payment of $60 million which it undertook to pay as aid during the Islamic foreign ministers' conference which was held in Baghdad last month. Fifty million dollars will go to African Islamic countries suffering from drought; $5 million will go to the Islamic solidarity fund; and $5 million will go to the Jerusalem fund. [Text] [LD0605301 Kuwait KUNA in Arabic 1218 GMT 5 Jul 81 LD]

ARAB AID TO PDRY--Under a loan agreement signed in Kuwait today by the PDRY and the Arab fund for economic and social development, Democratic Yemen will get 1.3 million Kuwaiti dinars, equivalent to $4.7 million, toward financing one of its development projects, namely the first stage of a joint telecommunications project among the Arab states in the western part of the Arabian Peninsula and east Africa. [Text] [Aden Domestic Service in Arabic 1230 GMT 2 Jul 81 EA]

CSO: 4304/54

ARMED MANIFESTATIONS IN BEIRUT REPORTED

NC131621 Beirut Voice of Lebanon in Arabic 1515 GMT 13 Jul 81

[Text] Calm prevails along the traditional axes in the capital. There have been no incidents since this morning except for scattered sniper fire in the Dubaco area.

High tension prevails in the Ash-Shiyah quarter following the clashes between AMAL and the communists which led to the death of 10 persons and the wounding of others on both sides. It has been observed that the AMAL movement has set up fortifications and barricades in various parts of the area. A state of alert has been declared among the ranks of the two disputant sides.

Some organizations have expressed the fear that armed Syrian elements belonging to the confrontation front might carry out operations against them upon the directions of Rif'at al-Asad, the commander of the Syrian defense companies. It has been observed that these organizations are suspiciously pointing to the appearance of armed groups wearing red uniforms and to the bringing in of heavy weapons and rocket launchers into the western part of Beirut.

Security sources say that Palestinian organizations are extending their activities to al-Hata', al-Hamra'ah, the UNESCO and ar-Rawshah. The same sources add that 400 armed men belonging to the Arab Knights Organization [Fursan al-'Arab] have taken positions in the (as-Sultan Ibrahim)--Kuwaiti Embassy--al-Awza'i Juncture triangle. Some 300 men of the Arab Army of Lebanon have taken positions in the area of the building that previously housed the Iraqi Embassy.

It has been learned that Palestinian Major Mi'dhat, who is close to Abu Iyad, has been moved to the American University Hospital. It has been alleged that he tried to commit suicide, but security sources said that a bullet fired from an armed ambush hit him in the chest.

CSO: 4304/61

HADDAD ACCUSES QADHDHAFI OF PLANNING KHADIR MURDER

NC0706Z30 Marj 'Uyun Lebanon Voice of Hope in Arabic 0630 GMT 7 Jun 81

[Text] Commenting on the murder of Na'im Khadir [director of the PLO office in Brussels], the leader of free Lebanon Major Haddad had this to say: The terrorists' talent for distorting facts is really astonishing. They are also adept at making treason and murder sound like an act of heroism. Thus, despite reports that Na'im Khadir was murdered by terrorists--a murder planned originally by the terrorists' leaders--we hear 'Arafat and his cronies making a national hero out of the murdered man. They attend his funeral in keeping with the famous saying: They kill the man and attend his funeral.

If the real reasons behind the extermination of Na'im Khadir have not become known, there are semiconfirmed reports which say that the other terrorist, Abu Iyad [Faruq Qaddumi], was the one who planned the murder so that he can carry on freely with the murdered man's wife, Bernadette, because there exists a sweeping romantic bond between her and Abu Iyad.

On the same subject, we vehemently denounce Father Ibrahim 'Ayyad's utterances to the effect that Christ was the first Palestinian, because the word 'Palestinian' means liar and stealer. Therefore, it is sheer blasphemy to attribute the title 'Palestinian' to Christ--particularly since, historically speaking, Christ was a Jew. As is known, Christ refused to greet a Samaritan woman, telling her that he only came to rescue the Jews.

However, if Father 'Ayyad's position in the western sector [of Beirut] calls on him to appease the terrorists so that he, in turn, will not be exterminated like Na'im Khadir or to prevent the sacking, destruction and burning down of the (al-Kahhushiyah) Church as happened to several churches in the occupied areas of Lebanon, then we understand him. However, we do not agree with Father 'Ayyad that he should appease the terrorists to such an extent, distort religious facts and besmear Christ's origin. Thus, Father 'Ayyad might also allege that Christ was of an Arab extract as well!

CSO: 4304/61

INTERVIEW WITH LEBANESE CP LEADER

LD0602200 Budapest Domestic Service in Hungarian 2020 GMT 5 Jun 81

[Interview with Georges Hawi, general secretary of the Lebanese Communist Party, by Budapest Radio correspondent Gyorgy Onodi in Budapest; date not given--recorded with Hawi's answers in French fading into superimposed Hungarian translation]

[Excerpt] [Question] Are the various groups comprising the Lebanese leftwing participating in the current clashes?

[Answer] The Lebanese Communist Party and the Progressive National Front have always taken a stand for a political solution. We are fighting for a solution which will guarantee Lebanon's unity, national independence, territorial integrity, the Arabic character of the country and its people's right to democratic development. The struggle of the country's democratic forces has not succeeded so far in bringing about a political solution. In addition to a great many other factors, this is due to the inability of the responsible leaders in Lebanon to act and to the aggressive actions of the reactionary Phalangist leaders. The third and most important reason is that Israel is interfering in a continuous and aggressive manner in the internal affairs of Lebanon. However, it is more precise to speak about continuous interference by Israel and the United States. Because of this our strength has not been sufficient to enforce a political solution. We are struggling to maintain our country's unity, we are fighting against the tendencies aiming at a partition and we are participating in the armed struggle waged against the Israeli aggressors. I would like to state at the same time that the progressive forces of Lebanon, in addition to waging a struggle in the interests of our country, are also supporting the rightful struggle of the Palestinian people and Syria, which at present is playing a positive role in defending Lebanon's unity, independence and territorial integrity.

[Question] How do you evaluate the role of Saudi Arabia in the present crisis?

[Answer] Saudi Arabia's role is interesting, very active, but full of difficulties. As is well known, the United States cannot offer much to its friends in the region. It has been unable to solve the Palestinian question or to bring about the evacuation of the occupied territories. All that they can say in Washington is that they are defending the peoples of the region against the communist danger. Thus, the pro-Western Arab countries are not in an easy position. Despite all this,

The Saudi government's activities are unequivocally directed at curbing the struggle of the peoples of the region against American imperialism and the reactionary local regimes, a struggle which is mobilizing the broad masses. The Saudis are also searching for an indirect way to move the Camp David agreement out of deadlock. However, even though this is what determines Saudi policies, the kingdom's leaders have nonetheless been obliged to face up to the real situation. Thus, they were compelled to send their representatives to the foreign ministerial conference of the Arab League in Tunis and to take a stand there. The Saudis also had to acknowledge that Israel has committed an act of aggression against our country.

[Question] Finally, a very difficult question: In your opinion, how soon can we expect the settlement of the Lebanese crisis--next month, next year or perhaps only in 10 or 20 years' time?

[Answer] No, there is no need to wait for so long. We are convinced that a just solution can be found to the problems of the Middle East, to every one of its problems. The convening of an international conference, such as that recommended by Leonid Brezhnev, the general secretary of the CPSU, would provide a good framework for this. At a conference of this sort, held with the participation of all interested parties, a just and reassuring solution could be found to all the problems of the region.

CSO: 2500/101

UNIFIL'S CALLAGHAN INTERVIEWED BY ISRAELI PAPER

[AB010307] Tel Aviv MA'ARIV in Hebrew 30 Jun 81 p 4

[Report by Ma'ir Hare'uveni]

[Excerpt] The commander of UNIFIL in southern Lebanon, Gen William Callaghan of Ireland, yesterday told MA'ARIV that he regards UNIFIL's main task as "restoring peace and calm at all of southern Lebanon and restoring the authority and control of the legal Lebanese Government in all parts of Lebanon."

Callaghan said he expects full cooperation from all the elements active in the region, and added that the many incidents that occur in southern Lebanon "would not take place if there were a sufficient degree of understanding and cooperation between all the parties and us."

General Callaghan said that the orders UNIFIL personnel received concerning when to open fire are: "for self-defense, when they are attacked, and in any instance when this is necessary to implement our mandate. With regard to this, we have standing rules and regulations that cover all eventualities."

The UNIFIL commander was not ready to divulge the content of his talk last week with the PLO chief Yasir 'Arafat, or to say what undertaking the terrorist chief had given him. He stressed that in order to fulfill the international force's missions it was necessary to be in constant and ongoing contact with all the organizations and bodies active in the region. "This contact with the organizations in the field we maintain through liaison officers. The possibility exists of meeting and speaking with the highest echelons, according to the needs that come up in the field."

Callaghan noted that he has excellent relations with the Israeli chief of staff, adding that he had never had any differences of opinion with "Rafu" [nickname of the Israeli chief of staff]. He is also satisfied with his relations with Major Haddad and his command. With respect to the restrictions IDF has placed on the crossing of UNIFIL personnel and their vehicles at the border station and at Rafar Rosh Haniqra, the general said: "The need to maintain security always requires that restrictions and difficulties be imposed, and we understand that."

The MA'ARIV interview, the first General Callaghan has granted to an Israeli paper since his appointment about 3 months ago, took place in the office of Kfarsirya mayor Efrayim Sharir, where General Callaghan was paying a courtesy visit.

CSO: 4131/16

BRIEFS

MUSLIM TRAINING COURSE--A ceremony was held somewhere in free Lebanon yesterday to mark the completion of the fifth training course of a number of Muslim Brotherhood fighters after 2 months of very hard training in various military actions. Our military correspondent says that preparation and registration is currently taking place for the sixth course, which will begin soon. The correspondent adds that the fighters of the fifth course enjoy very high morale and qualifications. [Text] [NC130653 Marj 'Uyun Lebanon Voice of Hope in Arabic 0600 GMT 13 Jul 81]

ISRAELI PRODUCTS APPEAR--Information received by the Voice of Lebanon Radio indicates that Israeli products, particularly apples, are appearing in the stores of western Beirut. Government circles have expressed surprise over the phenomenon and have initiated an investigation into the entry and distribution of these products with a view to finding who is behind them. [Text] [NC131610 Beirut Voice of Lebanon in Arabic 1215 GMT 13 Jul 81]

CSO: 4206/61

U.S. STANCE TOWARD LIBYA CRITICIZED

FM2909S4 London AL-ZAHF AL-AKHDAR in English 19 Jun 81 p 7

[Untitled editorial]

[Text] It is ironic that every nation involved in extending its presence in the Middle East professes to be concerned with the restoration of peace to the region. Thus every action, each clause of bilateral agreements, successive safaris by world leaders, all pay ritual homage to the notion of wanting peace and stability for the area.

Using this pretext, the Americans have launched a blatant attack on the Libyan Arab Jamahiriyah. Again, the premise is that Libya constitutes a threat to peace and therefore should be neutralised. The principal proponent of this bellicose and slanderous position against Libya and other progressive Arab states is none other than Reagan's hired guns, Chester Crocker and Alexander Haig.

Ex-general Haig harassed a group of editors in Washington with his now hackneyed ravings about Soviet responsibility for supplying 'the ideological under-pinnings of international terrorism' especially in such areas as Libya. Gunslinger Haig's vituperative bellowings were repeated in St Louis, where he said that Libya's oil revenues 'are almost exclusively diverted to the purchase of armaments, the training of international terrorists, and the conduct of direct interventionism in the neighboring states of northern Africa...'

Crafty Crocker launched into his stride with a curious logic to his argument. He argued that Libya is an African state and Chad an African problem and therefore there was a need for an 'African solution.' This is the reasoning that has prompted the Reagan administration 'to be supportive of those states that wish to resist what Libya has done in Chad.'

What is clear from these two attitudes is that when the solution is not that proposed by the imperialists and so against their interests, it becomes external to the real problems. Chad as an African state sought assistance from another African state and what happened subsequently was a result of this arrangement. But clearly the Americans are unhappy at being made redundant in the process and so excluded from reaping any politica or economic benefits from their now infamous shuttle diplomacy.

If the desire is for peace, then the American presence and frequent intervention are direct threats to this goal. The flagrant breach of Iraq's territorial integrity by the Zionist bombing of one of the country's nuclear installations, could not have been made possible had the US not provided the Zionists with the means and the political climate.

On both counts the Americans are engaged in unilaterally casting themselves as protectors of the Middle East and as such, have invested themselves with full powers to coerce, threaten and dictate to all the inhabitants of the region. The arrogance of their attempts to subvert the great al-Fatih revolution by pressing France to support Chadian rebels in a vain effort to exhaust Libya's aid potential, is matched only by their attempts to force OAU members to isolate Libya internationally, by the carrots of increased military assistance and the stick of destabilisation of their regimes.

But Libya is impervious to such threats and manoeuvres. We are not fooled by the pretext that while Washington would dearly love to see the back of the Libyan revolution, 'it will be up to the African states to take the lead.' The leash on these African states is still held by the imperialist US and so the actions taken in the Arab homeland are dictated by the Americans. The status quo for them is the creation of a pacified area in the control of surrogates, whose primary task is to keep the region firmly in the imperialist orbit.

Resistance to this must be broken and this is the real reason for the spate of attacks on Libya. We will not diminish our commitment to liberate Palestine nor confront imperialism on every front. This determination cannot be weakened and it is this resolve of the people of the Jamahiriyah that has attracted the full wrath of the imperialist United States.

We are prepared and we are willing. There is nothing more noble than to die defending one's freedom—here or in Palestine.

CSO: 4900/15

TRANSFORMATION PLAN AIMS AT IMPROVING DEVELOPMENT PROJECTS

Valetta JAMAHIRIYA MAIL in English 13, 20 Jun 81

[13 Jun 81 p 9]

[Text]

● THE General People's Congress (GPC) passed in January of this year a draft development plan aimed at diversifying the Libyan economy away from its heavy reliance on oil revenues. This plan represents for the future Libyan society of the masses an attempt at not only consolidating the gains made so far but, more so, the securing of a stable future for the whole of society free from the exigencies and dependence of foreign influences. The Second Transformation Plan recognizes the failures of the previous plan and seeks to build on these while still expanding, and setting new targets to be achieved.

● AS the society of the masses moves to consolidate its revolutionary gains, great care must be taken with the future developments in ensuring that the society marches towards its goals without negating its revolutionary destiny. There is an urgent need to define more clearly the objects of these developments and the type that are essential and this is precisely what the Second Transformation plan has set out to do. the total projected investment is $62.5bn and of this total a substantial amount is allocated for agricultural and industrial development. Thus agriculture is to get $9.1bn and industry, including petrochemicals, will be allocated $6.7bn.

Oil Dominance

At the core of this plan is the major aim of reducing a too heavy reliance on the oil sector which is now the main contributor to the economy. Over the last few years the importance of oil revenues to the economy has steadily increased and the oil sector now accounts for 64.3 per cent of revenues. To prevent the country having all her eggs in one basket, the Second Plan will seek to arrest this development and reduce the oil sector's contribution to the total revenues to about 48.3 per cent. It is also proposed that there will be a corresponding rise in the agricultural and industrial sectors as a percentage of the Gross Domestic Product (GDP). Thus under the new Plan agriculture will rise by 7.4 per cent and industry, including petrochemicals, by 21.6 per cent.

Outlined

The objectives outlined in the First Transformation Plan have been fulfilled with 86 per cent of allocations spent and 70 per cent of projects completed. The second Transformation Plan thus has, as a priority, the completion of all unfinished projects proposed in the last Plan. But the most significant aspect of the new draft plan is the frank and realistic assessment that has been made of the various stages of developments completed so

New Projects 1981-1985

Chemicals	
Soap (Zanzour)	10.1
Soap (Benghazi)	13.5
School bags (Tripoli)	10.1
Travel bags (under study)	6.8
Plastic slippers (under study)	10.1
Polyvinyl sheets (Abu Khammash)	23.6
Magnesia (Abu Khammash)	20.3
Vinyl tiles (Abu Khammash)	16.9
Chemical complex (Marada, under study)	16.9
Phosphate fertilisers (under study)	193.6
Total	**321.9**
Building Materials	
Cement factory (Sebha)	116.2
Cement factory (Western Jamahiriya)	50.7
Export cement factory	33.8
Lime factory	37.2
Light bricks plant (Souk el Khamis)	27.0
Sand bricks plant (Souk el Khamis)	13.5
Red bricks plant (Sebha)	27.0
Refractory bricks plant	27.0
Eternite sheets (Zanzour)	6.8
Sanitary ware (Gharian, new)	10.1
Sanitary ware (Gharian, extension)	5.1
Wall tiles (Gharian, extension)	6.8
Chalk production (Tripoli)	3.4
Total	**384.6**
Petroleum products	
Refinery (Ras Lanuf, 2nd stage)	358.1
Refinery (Misurata)	202.7
Refinery (Mursuk)	37.2
Total	**598.0**
Petrochemicals	
Methanol II (Marsa Brega)	135.1
Urea II (Marsa Brega)	202.7
Fertiliser (Sirte)	337.8
Petrochemical complex (Ras Lanuf, 3rd stage), aromatics, polyester fibres	237.1
Total	**912.7**
Metallurgy	
Aluminium complex (Zuara, under study)	6.6
Metal work, engineering & electrical equipment	
Metal cast (Sebha)	22.0
Metal structures	33.8
Metal containers	27.0
Different aluminium products	47.2
Aluminium cables (Zuara)	51.7
Metal houses	20.3
Dry batteries (Tajoura)	13.5
Electrical transformers assembly	16.9
Water pumps	16.9
Household appliances (under study)	49.0
Car assembly (under study)	6.8
Total	**888.1**

far. There is no reluctance to admit failure or shortcomings. This realistic appraisal is necessary if the second plan is to succeed or set realisable targets in the light of difficulties that can be anticipated.

The failure to initiate new projects is due, in greater part, to a lack of skilled manpower. The Second Transformation Plan recognises this particularly in the areas of agriculture and manufacturing. The planners, Musa Abu Frewa and Bashir Salama, are the first to concede that the performance of agriculture during 1976-80 'fell far short of targets planned'. In manufacturing, excluding petroleum products, the planned annual growth rate in output was 25 per cent but only 16 per cent was achieved. In sectors like electricity, oil and mining targets were met.

The Second Transformation Plan has taken all of this on board and that explains its bias towards on-going projects and an enlargement of the pool of skilled and trained manpower rather than the more prestigious and popular option of more and more new projects. For this a new strategy is needed and this is also contained in the draft proposals. This accounts for the stated aim of the new Plan: 'In view of the difficulties and shortcomings experienced in implementation of the 1976-80 Transformation Plan, in the agricultural sector, the second Transformation Plan will concentrate more on problems relating to institutional and human development and the consolidation of achievements already made.'

[20 Jun 81 p 9]

[Text]

● IN PRACTICAL TERMS it means a complete reassessment of all sectors of the economy and the creation of a specific plan for each. Thus in agriculture, where 25 per cent of the working population are employed on the land, only four per cent of the 'non-oil GDP' is generated from this activity. This low ratio results in the country still being dependent on food imported from abroad. Thus Libya imports over 50 per cent of its food because of this. Aimed at correcting this imbalance, the Second Plan will try to reduce the number of people employed working on the land but at the same time increase output.

This is a bold initiative and in order to achieve this the Plan proposes to increase the use of more efficient methods of farming and animal husbandry. Thus, fertilisers and more machinery will be utilised but this is just the beginning. Side by side with this upgrading of the methods of agriculture is a programme of education and training as well as practical demonstrations of the operation of any new processes within a local context. The education and training will cover every aspect of agricultural production, ranging from instruction in the use of the most sophisticated machinery to methods of storage and marketing. This will not mean the slowing down of the drive to increase the number of co-operatives. On the contrary, co-operatives will be increased but vital commodities like wheat will be reserved for the public sector and farmed by state companies.

Agriculture is given top priority in the Second Plan and all related aspects are also considered important. The overwhelming bulk of investment, $1.9bn or 43 per cent, is allocated to land reclamation projects. The other area of concern is the ready availability of water to ensure growth. Water availability and irrigation are the keys to the proposal for expanding agricultural output and crops like olives and grains are to be transferred to 'dry farming'. It is these considerations that have led the planners of the Second Transformation Plan to re-examine several projects with a view to streamlining, re-directing or abandoning those reassessed as failing in their major objectives.

The one criterion that will determine this in the agricultural sector is the question of water availability. Underground water resources in the Tripoli region have reached a critical level. This difficulty together with the dropping of the aquifer level in the Gefara Plain, has forced the planners to examine the possibility of piping water from southern underground desert lakes to the coast. In the case of vegetable production, the scarcity of water means that increased emphasis will be placed on drip irrigation and hydroponics. However, the Plan proposes to increase the area under irrigation to 1985 to 220,000 hectares compared to 182,000 last year.

In relation to actual food production, the Plan hopes to achieve what was projected under the 1976-80 Plan. 'Meat and milk production are two main areas where the first Transformation Plan had the biggest setback'. Thus the Second Plan hopes to remedy this by improving indigenous cattle stock, expanding high breeding stock and creating a 'strong dairy industry'. Targets set for 1985 under this revised approach are 27 per cent growth in milk production, 30 percent for meat and 91 per cent for eggs. A new departure in the second Plan is the emphasis on beef and poultry production as opposed to mutton, the favourite meat of the population. There are no proposals to increase mutton production in the next five years.

It is hoped that the population will develop a more catholic taste in meat as poultry is easier to rear. By 1958 poultry production is expected to reach 43,000

tonnes. Surprisingly, interest is shown in food substitutes, something that nutritionists are opposed to, especially in the developing world, where there is a tendency for transnationals to dump such goods on a gullible public. The Libyan Plan states: 'Efforts will be made to introduce new products like soya meats, margarines, reconstituted and flavoured milks, which are already in high demand in the industrialised world. Food industries will have to be placed in a high priority, and a beginning in this direction must be made during 1981-85'.

Despite 'very low capacity utilisation' in many manufacturing industries, emphasis will be placed on three main manufacturing industries, petroleum products, petrochemicals and chemicals. These three industries are to receive $838m, $2.1bn and $618m respectively but the major share of investment allocation is to go to metallurgy. This allocation of $2.7bn will be spent mostly on the Misurata Iron & Steel Works, the Ras Lanuf petrochemical complex and the Abu Khammash chemical plant.

The determination not to be solely dependent on oil revenues means that the Libyan Arab Jamahiriya must give these projects top priority. Thus there are proposals to develop engineering and electrical industries, and create more opportunities for the manufacturing of such by-products of the chemical industry as soap, detergents and plastic goods. By 1985 it is hoped that factories will be in full operational order manufacturing aluminium cables, water and electricity meters, transformers, wood working machinery, fluorescent lamps, trailers, metal structures, car exhaust pipes and household appliances.

But the Plan recognises that despite its noble intentions of cutting economic dependence on oil by creating a broader industrial base, oil and the revenues from it will remain, for quite a number of years, the main pillar of Libya's economy. The establishment of a broad industrial base, however, will continue. As the Second Plan states: 'Very rapid growth – at an average annual growth rate of output of 20 per cent or more' is planned for six priority groups: metallurgy, petrochemicals, chemicals, engineering and electrical equipment industries, petroleum products and food processing industries.

While more importance and emphasis are placed on agriculture and industry, infrastructural developments are not neglected. Other parts of the Second Plan show that investments will be made in programmes including electricity and desalinated water projects ($7.3bn), transport and communications ($5.9bn), housing ($3.6bn), education ($4bn), health ($1.9bn) and municipalities ($4.6bn). These types of developments are very easy to implement not only because they have a direct influence on people's lives but because the ready availability of the money and labour makes their implementation a relatively easy task.

These are the bare bones of the Second Transformation Plan but it still remains a draft document subject to further change. The General People's Congress discussed the Plan and in January the main thrusts of the Plan were accepted. But there are still finishing touches to be added and after the people have exercised their authority by scrutinising the aims and focus of the Plan the final form will be expected to be ready by July.

The Plan seeks to gain agricultural and industrial self-sufficiency for the Jamahiriya and if the targets are met in this plan, without the diversion of having to defend the homeland from attack, then the society of the masses will have taken another step in further consolidating their revolutionary gains. But plans cannot be implemented without the commitment and dedication of the partners in the productive process. Production must be increased and targets realised if we are to be successful. This calls for the participation of every member of the society and as the Leader of the Revolution said in his address to the students, 'Anyone who opts out of this battle is not only jeopardising the Revolution but is making himself a slave.'

Land Reclamation Schemes Projected Development Budget 1981-85 (in $million)

	1976-80	1981-85
Gefara Plain	1,184.0	1,216.1
Jebel Akhdar	790.5	918.8
Fezzan	435.8	503.3
Kufra/Sarir	199.3	291.9
Saiul al Khadra	564.3	756.7
Other projects	256.7	264.5
Total	3,430.6	3,952.3

Source: Draft Plan, Secretariat of Planning, Tripoli

Investment by Industry Groups During 1981-85

Industry Group	Total 1981-85 (in$million)	Structure percent	Growth rate 1981-85 per cent
Food industries	564.4	6.2	16.4
Textiles and leather	223.6	2.6	16.3
Wood and furniture	6.8	--	7.6
Paper and printing	25.3	--	9.7
Chemicals	657.7	7.6	35.2
Petroleum products	837.7	9.6	21.1
Petrochemicals	2,195.4	25.3	38.9
Building materials	702.3	8.1	13.9
Metallurgy	2,742.9	31.7	60.0
Metalworking, engineering and electrical equipment	609.7	7.0	28.9
Other manufacturing industries	168.9	1.9	3.4
Total	8,706.7	100.0	21.6

Source: Draft Plan, Secretariat of Planning, Tripoli

CSO: 4500/14

BRIEFS

'UBAYDI INTERVIEW ON SAHARA--Rabat, 19 Jun (AFP)--Mr Abdel Atti al 'Ubaydi, the Libyan secretary in the external liaison bureau, told the special envoy of the Moroccan paper LE MATIN DU SAHARA in Nairobi on Tuesday evening that Libya would not oppose the settlement of the Saharan problem through the creation of a union granting the Saharans a wilayah [regional administration] under the sovereignty of Morocco. According to the newsmen, whose story was carried on Friday by LE MATIN DU SAHARA, the head of the Libyan delegation also told him that Colonel al-Qadhdhafi was considering a new approach and a new orientation in the relations between Morocco and Libya. According to the special correspondent of LE MATIN DU SAHARA, Mr 'Ubaydi, who was speaking on the eve of the visit of Colonel al-Qadhdhafi's special envoy to Morocco, added that it was believed in Tripoli that a kind of realpolitik must be adopted toward Rabat. We do not deny that we have been helping the Polisario, he said, but we will not close the door to a unionist solution. [Text] [AB192051 Paris AFP in French 1305 GMT 19 Jun 81]

OIL EXPORTS DOWN--Libya's crude oil exports in 1980 were 14 percent below 1979 levels and there were sharp falls in sales to Western Europe, North America and Eastern Europe, the OAPEC monthly bulletin said last week. The bulletin said exports last year totalled 619 million barrels of crude, compared to 718 bbl in 1979. Exports to Western Europe amounted to 298 million bbl, a fall of 18 percent; sales to North America were down 17 percent to 219 million bbl. The OAPEC bulletin said 8 percent of Libyan exports went to Latin America and a further 1.3 percent to Japan. Exports to Eastern Europe fell by 24 percent, according to the bulletin. Figures for the latter exports were not disclosed. Speaking to newsmen in Kuwait last week, Libyan Oil Minister Abdul Salam al-Zagaar said his country rejected any proposal to cut oil prices. Instead, he declared, OPEC should act to get rid of the current glut of oil. "The creation of a balance between supply and demand in the international oil markets only practical solution to the surplus crisis presently experienced by OPEC," Mr Zagaar said. He added that OPEC's long term strategy should create an appropriate mechanism to deal with any surplus. Programming OPEC's production was a vital problem which affected all other oil-related issues, he said. [Text] [Beirut THE ARAB WORLD WEEKLY in English 9 May 81 p 8]

CSO: 4500/13

PFLO COMMUNIQUE ON RECENT MILITARY OPERATION

EA2817380 Aden Voice of PFLO in Arabic 1545 GMT 27 Jun 81

[Text] Brother listeners: While the masses of our victorious revolution were preparing to celebrate the 16th anniversary of the outbreak of the glorious 9 June 1965 revolution led by the PFLO, our struggl'ers in the eastern sector of Dhufar region were also preparing to mark this immortal anniversary. Consistent with their tradition on such an occasion, they embodied their celebration in an act of heroism against the forces of the Muscat agent regime. Thus, the morning of 1 June dawned to witness many losses suffered by the soldiers of the agent regime. The following is the text of the communique issued by the People's Liberation Army [PLA] operating in the eastern sector of Dhufar region:

On 1 June 1981, a unit of the PLA laid an antivehicle mine in the highlands of (Wijalah) District on the red line. At 0915, Muscat time, a Bedford vehicle carrying troops heading for the district detonated the mine. This resulted in the complete destruction of the vehicle and the killing and wounding of all aboard, estimated to total about 20 soldiers.

The authorities failed to cover up the incident, but as usual, only admitted the deaths of eight soldiers. A helicopter was seen landing at the sight of the incident, which was also reached by a number of vehicles, to carry away the enemy dead and wounded. Our forces returned safely.

Following the incident, the enemy encircled the red line belt with a force about 2,000 strong, reinforced by armored cars. The enemy troops occupied the [red] line and the neighboring areas, searching and torturing the citizens. Two of the citizens arrested were (Suhayl) Musallam (Jaad) and Hasan Muhammad Ali, who were imprisoned and denied food and water for a long time. They were then interrogated and accused of having been involved in the operation. They were subsequently released after it was found that they had been in the company of one of the reliable agents at the time of the operation. One of the Englishmen came [words indistinct]. He later gave each of them 50 riyals in compensation for the torture they had been subjected to.

This operation and previous operations carried out by our revolutionaries have exposed the lies and falsehoods of the Qabus regime and its masters, who claim that the revolution has ended. We have tangibly proved the falsehood of the slogans of this treasonous regime and its masters.

Long live the 9 June revolution on its 16th anniversary. Victory is the ally of our people, led by the vanguard of their heroic struggle--the PFLO.

CSO: 4304/54

AMERICAN MAJORS WITHDRAW FROM QATARI GAS PROJECT TENDERS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 26, 29 Jun 81 p 11

[Text] The US majors Mobil and Exxon were reported last week to have withdrawn from, but then renewed their interest in, tenders for a $4 billion gas project to develop Qatar's huge North West Dome offshore gas field. Initial reports said the companies had withdrawn their tenders, leaving British Petroleum, Royal Dutch Shell, Wintershall of West Germany and Compagnie Francaise des Pétroles in the running. According to an official of the Qatar General Petroleum Corporation, Sheikh Rashed Oweida, the final decision on the most attractive offer will be made by December of this year.

It is thought that the project will be the world's sixth largest, producting 6 million tonnes of LNG a year. The successful bidder for the project will have a 20 per cent partnership share. Late last year, Wintershall reported it had offered a $4.5 billion development scheme to the QGPC, which had also had negotiations with Royal Dutch Shell.

The $4 billion figure given as the cost of the development project, which includes drilling, production, pipelines, the gas liquefaction plant and other onshore facilities, is believed by some observers to be on the low side (AN-NAHAR ARAB REPORT & MEMO, January 19). According to the OPEC news agency, OPECNA, the bulk of the 6 million t/y of gas produced by the scheme will be sold to Japan.

The development of the North West Dome gas field, thought to contain reserves of more than 200 trillion cubic feet, is seen as vital to Qatar's own energy needs. It is estimated that there will be a shortfall in gas supplies for domestic use by the end of this decade, when petrochemical, desalination and industrial projects will be claiming an increasingly large part of the gas for feedstock. At present, Qatar uses about 65 per cent of its gas while the rest is flared. According to the latest statistics by the Organisation of Arab Oil Exporting Countries (OAPEC), Qatar's gas production in 1979 reached 23 billion cubic feet, less than 0.5 per cent of total gas output in the OAPEC countries.

CSO: 4300/38

NATION PURCHASES MORE GERMAN BONDS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 25, 22 Jun 81 p 9

[Text]

The Saudi Arabian Monetary Agency (SAMA) has decided to buy another DM 450 million ($188 million) worth of West German bonds from the Kreditanstalt für Wiederaufbau (KfW), it was reported from Jeddah last week. The KfW is 80 per cent owned by the West German state.

KfW is also reported to be seeking loans totalling DM 3 billion ($1.25 billion) from oil-producing countries.

The SAMA purchase came on the heels of reports that Saudi Arabia was unwilling to finance further West Germany's debt. The latest deal with KfW will do more to dispel the recent scepticism voiced on Saudi Arabia's commitments than the official denial of the report issued by the government in Bonn.

Earlier this month, SAMA's Governor, Abdul Aziz al-Quraishi, also reaffirmed his government's continued interest in financial diversification and denied any shift in Saudi investments towards the dollar. Speaking at the International Monetary Conference, held in Lausanne, Mr al-Quraishi described as "not true at all" suggestions that his country was unwilling to finance further Deutschemark debt.

SAMA has already undertaken to lend the West German Finance Ministry DM 5.5 billion ($2.3 billion) this year through the purchase of West German securities (*An-Nahar Arab Report & MEMO*, January 19). The amount is nearly the same as that lent by SAMA to Bonn last year, when for the first time in 15 years West Germany faced a balance of payments deficit (*An-Nahar Arab Report & MEMO*, March 31, 1980).

CSO: 4300/29

NATION'S ENERGY NEEDS DURING 1980-85 PLAN

Paris AN-NAHAR ARAB REPORT & MEMO in English No 25, 22 Jun 81 pp 10-12

[Text]

Two of the most significant changes taking place in the Saudi economy today are that an increasing proportion of Gross Domestic Product is generated by the non-oil sector, and that the economy as a whole is becoming more energy-intensive. These phenomena, emphasized in Part I of this survey, published in this newsletter's June 8 issue, are not of course separable, as industry, for example, becomes more important, making a greater contribution to GDP, it will naturally demand a larger input of energy.

The increase in Saudi Arabia's own energy consumption cannot, however, be translated simply as a "loss" of energy supplies as far as the rest of the world is concerned. Much of the extra energy demanded by various sectors will be used to manufacture petroleum products which have hitherto been processed outside the country. The operators of foreign refineries may be concerned that the oil-producing countries are taking an increasingly large stake in the business, but as far as global energy supplies are concerned, it matters very little where the oil is refined.

The projected increase in Saudi Arabia's capacity is spectacular indeed. The Plan report shows that in 1980, five refineries had a total throughput capacity of 700,000 barrels of crude per day, of which 500,000 b/d went to the Aramco refinery at Ras Tanura. By 1985, the report says, the total capacity of these and four new plants will be almost 2 million b/d.

This is substantially larger than the current total capacity of OPEC's biggest refiner today, Venezuela, whose 12 existing refineries have a throughput of less than 1.5 million b/d.

(It must be pointed out that the figures for 1980 in the Saudi Plan report do not coincide with those published elsewhere. The *International Petroleum Encyclopedia* gives a throughput figure of 452,000 b/d for the Aramco refinery, of which 415,000 b/d is crude refining, and figures of 57,150 b/d and 23,868 b/d for the Jeddah and Riyadh refineries respectively. It does not mention the Getty and Arabian Oil refineries.)

Domestic refining takes top priority

The main surge in Saudi Arabia's refining capacity is expected to occur in the domestic sphere, rather than in export refining. As the accompanying tables show, the first phase of the new Yanbu refinery will boost domestic capacity by 170,000 b/d to 390,000 b/d next year, while the second phase will take the total to 640,000 b/d by the end of the Plan period. The expansion of the Riyadh refinery will lift its capacity by 100,000 b/d in the interval.

During the same period, Saudi Arabia's domestic consumption is expected to increase from about 225,000 b/d to more than 560,000 b/d.

Subject to feasibility, the Plan report says, three new export fuel refineries will come on stream in the final year of the Plan, each with a capacity of 250,000 b/d.

Providing that the latter developments take place on schedule, the refined products element in Saudi petroleum exports will rise from just over 5 per cent at present to nearly 13 per cent by the end of the Plan period (assuming a constant rate of oil exports).

The percentage of Saudi oil exported in the form of refined products has been steadily declining since the mid-'50s, as the overall volume of exports has grown.

In 1955, output of refined products was running at about 74 million bbl per year, with exports slightly over 66 mb/y, or more than 19 per cent of total petroleum exports.

EXCHANGE RATE

June 16, 1981

CONVERTIBLE CURRENCIES

Country	Unit	$	£	DM	BF	FF	Yen
Bahrain	Dinar	2.653	1.334	6.263	5.454	14.992	586.75
Iran	Rial	Quotations not available					
Kuwait	Dinar	3.569	1.800	8.431	7.339	20.175	789.57
Lebanon	Pound	0.234	0.118	0.553	0.481	1.323	51.78
Oman	Rial	2.893	1.459	6.833	5.947	16.349	639.86
Qatar	Rial	0.275	0.139	0.651	0.566	1.557	60.88
Saudi Arabia	Rial	0.294	0.148	0.695	0.605	1.662	65.00
UAE	Dirham	0.272	0.137	0.643	0.560	1.539	60.17

NON CONVERTIBLE CURRENCIES

Country	Unit	$
Algeria	Dinar	0.2269
Egypt	Pound	1.4389
Iraq	Dinar	3.3862
Jordan	Dinar	3.0120
Libya	Pound	3.3770
Morocco	Dirham	0.2460
Sudan	Pound	2.0000
Syria	Pound	0.2547
Tunisia	Dinar	2.3228
Yemen (North)	Rial	0.2192
Yemen (South)	Dinar	2.8952
Djibouti	Franc	0.0056
Mauritania	Ouguiya	0.0218
Somalia	Shilling	0.1588

By courtesy of Union de Banques Arabes et Françaises UBAF Neuilly/s/Seine

Five years later, according to figures quoted in the current Plan report, the corresponding figures were 82 mb/y, 73mb/y and 15.6 per cent. Although output leaped to 120 mb/y by 1965, and exports to 110 mb/y, the percentage of refined products among total exports declined to 14 per cent, by 1970, it had rallied to 15 per cent, as exports soared to 208 mb/y, from output of 226 mb/y, but five years later, the percentage had slumped to less than 7 per cent as oil exports soared in the aftermath of the 1973/4 crisis.

Output of refined products had edged up to 237 mb/y, with exports running at 210 mb/y.

Refined products sales falling since the mid-'70s

Since 1975, the percentage of petroleum exports represented by refined products has slumped further, but for two reasons; overall oil exports have gone on rising, particularly since the drop in Iran's output after the Shah's overthrow, while sales of refined products have themselves declined.

The volume of exports of refined products dropped from 210 mb/y in 1974 to 175 mb/y the following year, rose again to 206 mb/y in 1976, then fell back to 188 mb/y, 178 mb/y and 187 mb/y in the three succeeding years. The percentage of total oil exports has thus been driven to less than 5 per cent.

The Plan report does not explain why sales of refined products have been declining since the mid-'70s, though with domestic demand for oil doubling every three years since 1970, the reason is not hard to seek.

From the mid-'50s to 1974, Saudi Arabia constantly exported about 90 per cent of its production of refined products. In 1975, that proportion suddenly dropped to 83 per cent, the Plan report shows, and in the three following years to 80 per cent, 71 per cent and 65 per cent respectively.

More recently, Saudi Arabia has been forced to buy refined products abroad. "The delays in construction of domestic refinery capacity at Jeddah and Riyadh resulted in continued movement of refined products from the Eastern Region," the Plan report says. "The faster than predicted consumption of refined products, coupled with the expansion delays, resulted in a tight supply position and some quantities of refined products, particularly diesel fuel, needed to be imported."

According to the report, diesel fuels in recent years represented between 10 and 12 per cent of the country's refinery mix. The largest component of the mix, varying between 37 and 45 per cent, was fuel oil, followed by gasolene and naphtha, which together made up between 23 and 24 per cent. The third most important product, LPG, represented between 18 and 22 per cent of the mix, while kerosene and asphalt each accounted for only 3 per cent.

The only product which is mentioned in detail in

the Plan report is lubricating oil, plans for LPG production presumably remain fluid, despite the substantial increase in world demand for this fuel. As this newsletter reported in its April 6 issue, Saudi Arabia plans to push its LPG capacity to 14.5 million tonnes a year by the end of the decade, more than a third of OPEC's projected capacity of 42 million tonnes. However, the Economist Intelligence Unit forecasts that unless the price of LPG comes down, there could be a world glut of up to 17 million tonnes by 1985.

The Plan report does not discuss this issue, beyond saying: "Prices (mainly of LPG products) will relate to international price levels and will reflect the high calorific values, the premium technical qualities and return on investment considerations."

Noting that the price of refined products has traditionally been kept low by government control, the report says: "During the Second Development Plan period, the divergence between domestic and export price levels became increasingly large. Domestic prices are generally between one quarter and one fifth of f.o.b. international prices. The policy of controlling prices and keeping them at a reasonable level for domestic consumption will be continued during the Third Development Plan. However, the actual level of prices will be reviewed thoroughly."

The report does envisage a substantial increase in lube oil production and handling facilities. During the Second Plan, 1975-80, it says, blending facilities at Jeddah were expanded from 200 to 1,370 b/d, while a new lube oil refinery with a 3,000 b/d capacity came on stream in Jeddah and construction began in Riyadh of a 1,370 b/d blending plant.

Five new projects are planned for the current Plan. These include:

- completion of a grease plant at Jeddah with a capacity of 5,000 tonnes a year;
- doubling of capacity of the Jeddah blending plant to 1 million bbl a year in 1981 to "eliminate bottlenecks";
- completion in the same year of a 500,000 b/y blending plant in Jeddah;
- completion of a lube oil blending plant in Riyadh with a capacity of 175,000 b/y by the end of 1981 and of 500,000 b/y by the end of the Plan period;
- feasibility studies for a 12,000 b/d lubricating oil export refinery on the west coast and for a 5,000 b/d refinery in Jeddah.

These projects will entail infrastructural works, such as extra storage and handling facilities and the construction of new pipelines. Eleven new products pipelines are scheduled for construction, together with 11 new bulk plants, adding 8.4 million bbl of storage capacity. Existing bulk plants will be expanded to give 4.3 million bbl of extra storage.

CSO: 4300/29

HOSPITAL DEVELOPMENT PLANS AID MANAGEMENT FIRMS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 25, 22 Jun 81 pp 3-4

[Text]

International firms specialising in hospital management have a bright future in Saudi Arabia, where hospital bed capacity in Ministry of Health institutions is projected to reach about 30,000 by 1984. With management contracts estimated by the British Department of Health and Social Security to represent annually one-quarter of construction costs – averaging £ 200 million ($398 million) for a 500-bed hospital – Saudi Arabia's hospital development programme will mean big business for management firms.

One such contract is now in the offing for the second National Guard 500-bed hospital in Riyadh, built by the Belgian-led Eurosystem Hospitalier consortium. Although both Belgium and Australia are hoping to win the contract, British or American firms could well clinch the deal as the Saudis are thought to favour a policy of spreading management contracts among firms from various countries, and also because of the predominance of British and American firms in this field.

Moreover, the British firm International Hospitals Group recently won the management contract on the first of the National Guard hospitals built by Eurosystem in Jeddah (*An-Nahar Arab Report & MEMO*, June 1). The £ 150 million ($296 million) contract provides for establishing an overall development plan for the entire medical services of the National Guard throughout the country. The main subcontractor is IAL, the London-based international systems and services company, and contracts for services range from architecture to catering and accountancy.

The importance the Saudi government attaches to its hospital construction programmes is easily demonstrated by the third Five-Year Development Plan, introduced last year (and extensively analysed by this newsletter in several special surveys since January). The 1980-84 Plan envisages further construction of 10,700 Ministry of Health hospital beds, 320 health care centres and the expansion of specialised medical units with a 90 per cent increase in medical manpower. Hospitals, social centres, rural clinics and public hygiene services have been allocated SR 61.2 billion ($18.4 billion) over the next five years.

Some 15,130 beds were already being installed in 59 separate hospitals and clinics when the Third Five-Year Plan was unveiled. Work on these is ongoing and ranges from stages of preliminary construction to final outfitting.

Saudi Arabia's commitment to decentralisation is very clear in the planned construction of many small hospitals and clinics outside the big cities. Although the Saudis have come to expect a life-long welfare service, they do not yet have the necessary expertise to run it themselves. Saudi policy in issuing management contracts provides for this shortcoming as was explained by Patrick Lennon of International Hospitals Group. "There is a contractual undertaking to train Saudis," he told this newsletter, in line with Saudi insistence that all contracts carry penalty clauses for failure to comply.

Nevertheless, the facilities available are considerable, including open-heart surgery and kidney transplants at the Riyadh hospital run by the British Allied Medical group and at the King Faisal Hospital, also in Riyadh. In addition, special jets are being equipped as mobile hospitals, to fly to remote towns at a moment's notice.

The costs are of course enormous. It takes an estimated $300,000 a day to run the two military hospitals at Riyadh and Al-Kharj, while cost at the King Faisal hospital run close to a staggering $1 million a day. And even though consultants can command salaries of at least $70,000 a year, there is still a shortage of skilled manpower, with companies having to look all over the world for doctors as each hospital is completed. One worry is whether Saudi Arabia will be able to train enough people of its own before demand outstrips

Expansion of Saudi Ministry of Health personnel and facilities during the Second Development Plan, 1975-80

(Selected ratios per '000 of population in parentheses)

	1975		1980	
Hospitals	62		70	
Beds	7,734*	(1.2)	12,525*	(1.5)
Dispensaries	215		506	
Health centres	372		299**	
Doctors	1,900	(0.38)	3,212	(0.67)
Nursing staff	4,234		6,081	
Medical technicians	3,526		4,740	

* Excludes quarantine beds
** Some health centres have been upgraded to dispensaries
Source: Ministry of Planning

Principal hospital projects during Saudi Third Plan

Ministry of Health	No of beds
Hofuf Hospital	500
Jeddah Hospital	500
Jizan Hospital	500
Medina Hospital	500
Al Khobar Hospital	400
Riyadh Medical City	1,100
Taif Psychiatric Hospital	500
Shahar Hospital extension	500
Jeddah Referral Hospital	450
Other projects	3,155
National Guard	
Jeddah Military Hospital	500
Riyadh Military Hospital	500
Other projects	600
Ministry of Higher Education	
Jeddah University Hospital	800
Riyadh University Hospital	800
King Abdulaziz Teaching Hospital	470
Other government departments	
Al Kharj Military Teaching Hospital	600
Others	2,351
Private projects	
Four hospitals in Jeddah and Riyadh	405
Total	15,131

supply.

To help meet this problem, plans are already afoot to supply medical expertise to local medical schools. The Washington University, for example, has won a $5 million contract to supply King Abdul Aziz teaching hospital in Riaydh with expertise in surgery, biochemistry, physiology and medicine. The American university is helping to lay the groundwork for the five-year old medical school by planning curricula, writing exams and establishing course and research objectives for the coming academic year.

Medical school is run on British lines

At present, the school is run on British lines but the Washington University would like to develop it along lines more akin to its own. According to one doctor from the faculty, Robert Van Citters, if this were done, it could have considerable implications for the Saudi policy followed until now of building hospitals to 'ish specifications.

While British standards are generally regarded as the world's best, British companies oten fail to secure the actual building or even management contracts. This is why the International Hospitals Group was set up in 1979, in an effort to coordinate the British approach to bids for major contracts.

Some of the largest management contracts in the last few years have gone to American companies, although the IHG deal last month marked an important step for British firms. The British Allied Medical group was beaten last year by the Los Angeles-based National Medical Enterprises (NME) in a $1.065 billion management contract awarded by the Saudi Ministry of Defence.

Similarly, the finest hospital in Saudi Arabia, the King Faisal Hospital in Riyadh, is managed by Hospital Corporation International, a subsidiary of Hospital Corporation of America, the world's biggest company in the field. The British firm Whittaker has however been running government hospitals in Jeddah, Tabuk and Khamis Mushayt since 1975, employing more than 1,800 persons and making it one of the largest management and supply consultants in the Kingdom – if not the largest.

The signing for the IHG contract last month marked the end of two years of negotiation in fierce competition with Belgium, the US, France and Australia. Although Britain and Belgium were the only two countries orginally invited to bid for the contracts, the Saudis eventually became extremely impatient with delays emanating from Whitehall. And it took Prime Minister Margaret Thatcher's visit to Saudi Arabia in March to untangle the last few snags.

BRIEFS

RAISE IN U.S. STAKE--The Saudi-owned Competrol-BVI of New York has increased its stake in the American financial services group Donaldson Luftkin and Jenrette from 11.4 to 14.4 per cent. Competrol-BVI, which is controlled by Competrol Establishment, acquired an additional 350,000 common shares this month, taking its total holding to 1,350,000 shares. Competrol Establishment is jointly owned by Khaled ibn Abdullah ibn Abdul Rahman al-Saud, a member of the Saudi royal family, and Suliman Olayan, who have unconditionally contracted to pay the seller of the shares, Robert Winthrop, $3.8 million. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 25, 22 Jun 81 p 10]

CSO: 4300/29

CABINET DISCUSSES A VARIETY OF ECONOMIC, POLITICAL ISSUES

JN051941 Khartoum SUNA in Arabic 1755 GMT 5 Jul 81

[Excerpts] Khartoum, 5 Jul (SUNA)--President Ja'far Numayri this morning chaired the regular cabinet meeting. The president briefed the cabinet on the recent African summit conference in Nairobi. He praised highly the outcome of the summit and the trends that emerged during his meetings and contacts with African leaders. Touching on Libya's role at the conference, President Numayri said that this role aimed at dismembering the OAU, weakening its principles and sowing discord and division among the OAU members.

Foreign Minister Muhammad Mirghani also briefed the meeting on the Sudanese role at the OAU ministerial council meetings preceding the summit conference.

At the outset of the meeting, the cabinet approved a number of bills and agreements with fraternal and friendly countries. It approved a financial protocol between France and Sudan for 1981 under which France will give Sudan about 200 million francs to purchase French commodities.

The cabinet approved in principle a draft law on the additional loan agreement between Sudan and the Abu Dhabi economic development fund to finance the 1981 spinning project of Haj 'Abdallah and to finance the setting up of a cotton spinning mill at a cost of $35 million. It also approved a draft law on the $11-million loan agreement between the Sudanese Government and the U.S. fund for international development to boost the 1981 balance of payments.

The cabinet approved in principle the trade protocol bill between Sudan and Egypt for 1981 amounting to $124.08 million. The cabinet also approved the contract for the establishment of a joint bank between the two countries to facilitate trade exchange and boost economic development between the two countries.

The cabinet approved in principle a draft law regarding the trade agreement and trade protocol between Sudan and Ethiopia for 1981. The protocol was signed during President Numayri's visit to Ethiopia in November 1980. Under the protocol, the two sides undertake to regulate trade between them and to take control of all kinds of illegal trade to wipe out smuggling.

The cabinet approved in principle a draft law regarding the agreement on agricultural commodities between the Sudanese Government and the United States for 1981. Under the agreement, the U.S. Government will give Sudan $5 million to use in purchasing grain and flour.

CSO: 4504/24

'VOP' CITES 'AL-SAFIR' ON INTERNAL SITUATION

JN211838 (Clandestine) Voice of Palestine in Arabic 1545 GMT 21 Jun 81

[From the "With the Events" Program]

[Text] Will Numayri fall like Ibrahim 'Abbud? There are mounting wagers that Ja'far Numayri is on the way to giving up his powers after having brought Sudan to a situation of chaos, inactivity and blind subservience to al-Sadat's regime. Nobody can now give a clear-cut answer. But there are important indications of things that will undoubtedly lead to Numayri's fall in the future, either by a popular eruption and, consequently, his quitting of his place and his withdrawal, or by other means. The following is a news report on the situation in Sudan based on what the Beirut AL-SAFIR published today, news received from its London correspondent:

The report says that, based on news coming from Khartoum yesterday, Sudanese President Ja'far Numayri and four of his ministers have left Sudan for an unidentified destination without any prior announcement. 'Izz ad-Din 'Ali 'Amir, Sudanese Communist Party Politburo member, said that reports from Khartoum say that Sudanese Vice President 'Abd al-Majid Khalil left Sudan with his family and requested asylum in Morocco. Al-Baqir 'Abdallah, spokesman of the Sudanese Democratic Union Party, stressed this news, which was announced at a popular rally organized by the Sudanese progressive grouping and the Egyptian opposition. 'Izz ad-Din 'Ali 'Amir and Khalid Muhyi ad-Din, secretary general of the Egyptian National Progressive Unionist Grouping Party, were the main speakers at the rally.

Muhyi ad-Din said that the strengthening of relations between the regimes of al-Sadat and Numayri dictates the establishment of strong relations of cooperation between the Egyptian and Sudanese patriotic and democratic forces, the Lebanese nationalist movement and the PLO in order to rectify the situation in the Arab world.

'Amir said that Camp David is the greatest American victory in the region in quite some time. Al-Sadat sold the victories of the Egyptian army to the Americans and the Israelis. Today, al-Sadat is the friend of Numayri and Oman's Sultan Qabus. He added that Sudan is undergoing revolutionary circumstances these days which may develop into more than the 1964 revolution. He said that the revolution is led by the working strata despite oppression and terrorism.

It was announced that Muhyi ad-Din will leave for Damascus today, Sunday, to participate in the conference of solidarity with Syria and the Palestinian resistance which will last until 25 June.

Meanwhile, the Sudanese patriotic soldiers and officers military front issued a statement in London. It stressed its determination to destroy the regime of Sudanese President Ja'far Numayri. It said that it is mobilizing the Sudanese people to achieve this goal. It added that the Sudanese armed forces, which are witnessing the abhorrent crimes committed by Numayri, will not remain idle. These forces will adopt a decisive decision to save Sudan.

In another development, bank sources said that Numayri transferred $6 million in iron boxes by a special plane which landed in Athens airport last week en route to Switzerland. The money was deposited in a Swiss bank in the name of one of Numayri's relatives. The sources added that this was done when Numayri declared his intention to resign office and live abroad.

CSO: 4504/24

KORDOFAN ACHIEVEMENTS IN SERVICES, PROVISIONS OUTLINED

Khartoum AL-AYYAM in Arabic 22 May 81 p 5

[Article: "Among the Achievements of Regional Rule in Kordofan"]

[Text] As the country celebrates the 12th anniversary of the glorious May revolution, it enters a new stage of history. Its entry into the arena of regional rule guarantees a future wherein life would prosper in a revolutionary surge toward a future that promises to build Sudan and to lead it onto the road of freedom and social justice.

The slogan of regional rule for which the masses have been calling has become a reality, and the people have become masters of the situation and the ones who have the right to lay down its imposing structure.

The philosophy of regional rule is proceeding on a course that is derived from the reality of the Sudanese nation. It is a new mode of government, a vehicle for participation and a method which in reality translates the real expression of the popular will in a manner that inspires confidence and doubles the effort to give [of oneself] with a flourishing heart that is full of love for this homeland. [It inspires] loyalty that stems from the hearts of its citizens in appreciation of their role and in celebration of the responsibilities they bear through their effective participation in the real partnership they have for a better life.

Since regional rule is the only way a vast, broad homeland can be governed, it comes in the form of a popular will translated by the revolution into a reality to be experienced. Everyone is in agreement over it by impartiality and self-denial.

From this reality the province of Kordofan is bustling with activity these days. It is led by Mr al-Fatih Bisharah, the governor of the region and by the ministers of his regional government which began its agenda with numerous questions that are of interest to the future of the region.

1. The region's Council of Ministers has approved the program of measures to be performed in 1981 by the agencies of the region's executive authority.

2. The Council of Ministers also approved the program to organize the activities of the Regional People's Council.

3. The governor has made a decision to appoint two ministerial supervisors for the areas of the region so that each minister would be responsible for informing and linking the citizens in his area to the programs, plans and projects of the regional government as well as encouraging the citizens to perform their duties towards the state by being physically present on the field and by carrying out periodic inspection visits.

4. It was determined that the Council of Ministers will convene its sessions every Thursday.

5. A few subjects came up for discussion by the Council of Ministers; they were to be considered in coordination and deliberation with the competent central agencies so that recommendations in that regard could be made. [The following] are among these subjects:

--Plans to establish the University of Kordofan.

--Preparations to establish a local radio station.

--Preparations to publish a Kordofan newspaper.

--Preparations to establish the Cooperative Bank of Kordofan.

--The establishment of a bus company to transport [passengers] between Umm Rawabah, Kusti, Madani and Khartoum after the Umm Rawabah-Kusti road is paved; and the designation of an express passenger car between al-Ubayyid and Umm Rawabah to complete the connection with the paved road.

--Originating special festivals for the region, such as the festival of sheikan and others.

--Establishing a press for the region.

--An agreement has been reached to finish paving the al-Ubayyid Airport and to install lights so that the airport can operate around the clock.

--An agreement has been reached with the central Ministry of Transportation to conduct a comprehensive study of all the internal roads of the province for the purpose of preparing them to connect the parts of the region together. This study will begin this month.

--An agreement has been reached with a French company to conduct a comprehensive feasibility study to establish a land shipping and transportation company which would be financed by the private sector in Kordofan province, by the regional government and by the French company itself to ensure the flow of spare parts and [the availability of] effective maintenance inside and outside the region.

--Negotiations are underway for financing the surfacing operation of the al-Dubaybat-al-Ubayyid Road. That would replace the soil elevation operation that is taking place there now.

In the Area of Provisions

Sugar needed in the autumn season for all the areas of the region has been guaranteed. Efforts are also being made to guarantee the position of corn in addition to the current stockpile at the al-Dubaybat station.

--An agreement has been reached to run a monthly train that would carry various provisions and food supplies, and petroleum materials would be among them.

--New controls have also been placed to ensure fair distribution and to guarantee that provisions reach the consumer directly.

In the Area of Services

1. Contact has been made with the Ministry of National Planning to finance the health and educational services appropriations from the national development budget [and to turn over the funds] to the administration of the region.

2. An agreement in principle has been reached with a delegation from the Italian and Canadian company for the purpose of establishing a modern hospital and a technical training center in al-Ubayyid.

Preparing the Temporary Establishments for Regional Rule

--The governor's office and the office of the regional prime minister are to be prepared.

--Offices for the ministers and for some of the agencies that will help them are to be prepared.

--A [meeting] hall and offices for the Regional People's Assembly are to be prepared.

--A building to house the North Kordofan secretariat of the Sudanese Socialist Union is to be rebuilt.

Fighting Drought

Central support has been obtained, and maintenance operations have been carried out on a large number of idle machines. These machines have actually been moved to the parched areas.

--Consultations were conducted with the Japanese government through the Japanese Embassy in Khartoum to strengthen the efforts of the regional government in the areas of fighting drought.

An agreement in principle for support has been achieved.

--Efforts are being made to obtain 1,000 water pumps from a foreign loan.

--I held a meeting with all the officials, and [I promised] to make my utmost effort in the region. I found out what were the obstacles which they were facing, and I promised officials to make my utmost effort to overcome their difficulties. They in turn promised me to make their utmost effort to complete their tasks.

--The governor asked the minister of housing, water and public utilities to submit a weekly report on the progress of the anti-drought campaign. The reports indicated that the maintenance operations have been extended to many of the idle wells and that these wells have begun operating.

Work is underway to strengthen existing wate stations, to provide maintenance for them, to expedite the installation of pumps in the drille wells and to turn ownership of the existing drilling equipment over to the administration of the region.

8592
CSO: 4504/11

KORDOFAN MINISTER REVIEWS FINANCIAL SITUATION

Khartoum AL-AYYAM in Arabic 22 May 81 p 5

[Report on interview with Dr al-Fatih al-Tijani, Minister of Finance and Economics in the Regional Government of Kordofan: "The Minister of Finance and Economics in the Province of Kordofan Tells AL-AYYAM, 'The Principle of Establishing a Provincial Government To Deal with the Problems of the Province at Close Range Is a Very Sound Principle; We Are Making a Common Effort by Laying Down the Foundations That Guarantee the Financial Independence of Regional Rule' "]

[Text] During this interview which we conducted with Dr al-Fatih al-Tijani, the minister of finance and economics in the regional government of Kordofan, his excellency was talking about evaluating his experience during the past period and the financial aspects that are tied to the region. Among the most prominent of these are the general features of the regional budget and the development budget.

He says, "The principle of establishing a regional government to deal with the problems of the region at close range is very sound. It transfers the decision-making power to the local authority, and herein lies the foundation for the success of regional rule. I accepted this charge on the basis of this notion because I know how difficult it is to manage a unified Sudan on a centralized basis.

"The practices which we've experienced in the past brief period have confirmed that regional rule cannot succeed unless it can act freely and make decisions quickly without consulting with Khartoum about daily administrative matters. But the experience in the past brief period has indicated that so far this understanding has not been entrenched in the minds of [our] brothers in the central executive agency. They may have an excuse, however, since the experiment is new and exploratory, requiring a little time so that its foundations can be established and everybody's understanding of it can be furthered.

"We are now making a common effort by laying down the foundations that guarantee the financial independence of regional rule."

The Financial Position

"The budget of the region for the past period and until 30/6/81 has been an interim budget that was intended to provide the necessary appropriations for carrying out the administrative activities of the regional government. We did in fact spend the money for these activities.

"The remaining budgets were those of the local popular rule which were approved last year. We guided performance in those budgets, and we are still doing so. This cannot be completed before we can close the accounts. We have plans for closing these accounts on 30 September of this year.

"As far as the new fiscal year is concerned, we did prepare suggestions for the general budget of the region and a development budget as well. [Both] were discussed with the ministries of finance and national economy and the ministry of national planning; [both] were approved by the venerable Council of Ministers." The principal features of the region's budget may be summarized as follows:

The General Budget:

--Existing organizations and government agencies are to be strengthened.

--Spending on the first section of the budget is to be reduced by not hiring new people except for positions that are required by necessity. These were defined as positions in health, education and security.

--Objective estimates of spending items such as (food supplies?) and others are to be made, so that the budget can be a real budget and we would not resort to sanctioning central needs, something that would require considerable traffic between the region and Khartoum.

The Development Budget and Its Most Important Features

--The development budget concentrates on strengthening water services by preserving existing wells and excavations as well as by building new stations in the production areas to ease the food crisis from which the region is currently suffering.

--It strengthens health and education services by concentrating on completing the health projects on which work had begun and increasing the number of elementary schools so as to increase the ratio of students the schools can accommodate in the years of study.

--It surveys and plans agricultural land which is currently known by mechanized agriculture outside the [context of] planning.

--It carries out studies that would make it possible to draw up a scientific economic plan for the development of the region. Among these studies are [the following]:

--A study of natural and human resources in the region.

--A feasibility study of the internal roads in the region.

--A feasibility study for the establishment of the Kordofan Transport Company.

--A study to strengthen the al-Ubayyid Hospital.

--A study to restore the Abu Jabal Bay Project.

Provisions

It became evident from our practices during the past period that the region was suffering from a major shortage in provisions. This is the result of two principal reasons. They are:

--The region's small share of provisions.

--Some negligence regarding certified provisions.

"To correct this matter, we set up the necessary controls to prevent negligence in provisions and in finances. An agreement was also reached between us and the brothers in the Ministry of Trade on the redistribution of quotas among the regions after the objective study that we are currently carrying out. We have also established the necessary agencies to administer provisions by consolidating the provisions office in Khartoum and strengthening it so it can communicate quickly with Port Sudan, with al-Ubayyid and with Kadugli."

Industry

"The 1980 Standard Investment Law specified 22 industries to be under the authorities of the regional government, but we have not yet carried out serious action to speak of in this regard. Taking our time is part of our programs so that we can study the actual needs of the region in the field of industry and can evaluate existing industries. It is also our point of view that we should focus on food production first and on providing basic services [second] before we embark upon major industrial projects. There are light industries, such as mechanized bakeries, that do not require lengthy studies. We have approved those because of the direct effects they would have on helping reduce the dangers of desert encroachment since they do not depend on lumber."

The Affairs of Employees and Individuals

"We are now listing all those who are employed in the region, and we have actually begun redistributing them to the government agencies that have a shortage. A team from the Ministry of Service and Administrative Reform is also working with us on devising service structures in the region and setting up job descriptions for all the employees in the various facilities."

The Census

"Although the census is a national responsibility, contact has been made between us and [our] brother, the director of the Census Administration. We have found that the programs which the Census Administration has for the new year cover almost all the data which it hopes to compile. As a regional ministry we will join them in bringing about the success of these programs."

8592
CSO: 4504/11

CENTRAL REGION DEVELOPMENT DISCUSSED

Khartoum AL-AYYAM in Arabic 20 May 81 p 6

[Report on Interview with Dr 'Ali Muhammad al-Hasan, Dean of the College of Economics and Rural Development in the University of al-Jazirah by SUNA: "The Province as Seen by the World of Economics"]

> [Text] Nine characteristics of the central region, and a call for specialized development.
> Giving citizens material and concrete evidence to convince them that regional rule is feasible is among the responsibilities of the leaders of the region.

Dr 'Ali Muhammad al-Hasan is one of our young scientists who is well-versed in economic affairs. He received his masters degree in economics from the United States of America and his doctorate in economics from the United Kingdom. He was employed as a lecturer at Khartoum University and as director of the Council of Economic and Social Studies. Recently [he was appointed] dean of the College of Economics and Rural Development in the University of al-Jazirah. In May 1980 he was chosen by Mr Abu al-Qasim Hashim, the appointed governor of the central region, to head the Technical Committee for Economic Studies on Regional Rule in the central region. We met with Dr 'Ali Muhammad al-Hasan in his office at the University of al-Jazirah. He was almost finished with the final report on this study. We wanted the interview to be an examination of the ideas and observations he formulated on his analysis and his examination of the economic question in the central region. The outcome of the interview which lasted 1 hour and a half was as we set forth in the following paragraphs.

What Is Required To Realize the Aspirations of the Masses of the Region

Dr 'Ali Muhammad al-Hasan says, "Today the principle of regional rule in Sudan has become acceptable to the masses for reasons that pertain to the size of Sudan, the difficulty of communications and all the difficulties that are related to the inability of regional [sic?] rule to deliver services to the masses from Khartoum. But the central region has characteristics and features that distinguish it from the other regions in Sudan. Setting off these characteristics and features is not an attempt to

show preference to this region over others, but it is rather [an effort] to enable those who are making plans for the establishment of regional rule and those who will implement it to deal with the problems of the region through these obvious characteristics that distinguish the central region."

Dr 'Ali Muhammad al-Hasan defines these characteristics in nine points.

Population Density

"In looking over some of the statistics on population density in the central region, we find that more than one fourth of the population of Sudan live in this region. In 1980-1981 the population of the region was 5,086,965 persons. This figure represents about 28 percent of the population of Sudan and 37.6 percent of the total population of the five northern regions, not including the southern region. Perhaps one of the statistics at which we must pause is that which indicates that the population of one of the three provinces of the region and the population of al-Jazirah exceed the total population in any of the other four regions and the other three provinces of the region. In fact, [that figure] is slightly more than double the population of an entire region. For example, the number of people in the northern region is 1,091,648 persons, whereas the population of al-Jazirah Province is 2.8 million persons. That is more than double the population of the northern region. This characteristic of the central region must be taken into consideration on the regional or the country-wide level when plans are being made for the establishment of regional rule.

The Contribution of the Central Region to the National Product

The central region indisputably represents the focal point of Sudan's economy. Due to the absence of reliable statistics on the distribution of the sources of the national product among the various provinces of Sudan, we estimated the contribution of the central region to be about 40 percent of Sudan's GNP. This ratio is distributed among the various economic sectors. In addition to its high contribution to Sudan's GNP, the central region also contributes the lion's share of Sudan's exports and of Sudan's foreign currency proceeds."

Setting Up National Projects in the Region

"As a result of the geographical location and the climate of this region the major national projects in the agricultural, industrial and services sector were set up in it. The huge al-Jazirah project has a central position in the region. In the outskirts of the region sugar projects were established in Sannar, ('Asalayah) and Kinanah; agricultural projects were established in al-Suki, Abu Na'amah, the Blue Nile and the White Nile; and roads projects and the University of al-Jazirah [were also established]. Plans are also being made for the establishment of other projects in various areas. Among the effects of the fact that these projects were set up in the central region is the fact that the financial commitments of

the region rose to meet the increasing demand for goods and essential services there. These include security, health, educational and other services. In other words, if national projects are set up in a certain region of the country, the administrative machinery in that region assumes financial obligations that result from the mere presence of a major project such as the al-Jazirah project, for example. This is because the migrants who come into the region to take part in the production [activities] of a project impose additional obligations on the region or on the province in the form of [demand for] services. This is evident in the provinces of al-Jazirah and the White Nile following the establishment of the major projects in these two provinces. There we noticed, for example, that the cost of services in recent years in the southern area of the White Nile has risen sharply. We have found no explanation for this rise other than that of the establishment of national projects in this area of the province."

Migration into the Region

Dr 'Ali Muhammad al-Hasan says, "Relying on the data of the population census which was completed in April 1973, the Six-Year Plan indicated that the number of persons who migrated from the various provinces in 1973 was 1.2 million. Those people moved from specific areas to other provinces. According to the 1956 census, however, the number of migrants among the provinces in 1956 amounted to 400,000. This means that between 1956 and 1973 internal migration had tripled.

"The figures that are mentioned in the 1973 Census indicate that the most important centers which are attracting internal migration are, first, the province of Khartoum, with about 30.6 percent of total internal migrants. It is followed by the central region to which about 26.9 percent of the total migrants migrated. Then comes the province of Kassala with 10.7 percent of the migrarts. Accordingly, these figures indicate that the central region and Khartoum are the areas that receive internal migrants from other regions most willingly. If internal migration has tripled from 1956 to 1973, our observations, which we cannot support by figures because we do not have these figures, [suggest] that there has been a major increase in internal migration from 1973 to 1980. That ratio of increase is considered higher than the former ratios which occurred between 1956 and 1973. Our observations also indicate that migration to the central region has also risen quite sharply."

Social Indicators

And here Dr 'Ali Muhammad al-Hasan says, "It was the four previous characteristics that led to the disparity of the social indicators in the region, but not in the other regions. The introduction, the spread and the consolidation of educational services in the provinces of al-Jazirah and the White Nile attest to that. The relative spread of health, religious and other services is a feature that distinguishes this region from other regions. To prove the existence of this feature in this region, available statistics make this matter quite clear."

The Region as a Model for Specialized Development

"The region is playing an important role [in the country's development] now that trucks go through the region's roads from the port to the center of the country. We would not be exaggerating were we to add that the current economic, geographic and social reality of the country may force us one day to reconsider the matter of the national capital so that it would become the city of (Wad Madani). This is because all geographic, economic and other indicators support this trend. Furthermore, the city of (Wad Madani) was once the capital of the country."

The Diversity of Natural Resources

Dr 'Ali Muhammad al-Hasan continues his discussion in that area and says, "There is no region in Sudan whose natural resources are as diverse as those of the central region. This region has vast utilized and unutilized agricultural lands; it has rainfall and man-made irrigation systems; it has a large animal resource--the White Nile Province is considered the second province in Sudan in animal resources. The region has the capabilities for industrial growth: paved roads, electricity and manpower. It also has the infrastructures for the establishment of industrial development.

"The diversity of the natural capabilities and the multiplicity of the sources of revenue in the central region can be utilized in the attempt to plan for local development on a specialized basis. This means that every one of the three provinces of the region would specialize in a certain area of economic production because climatic and natural conditions make this possible and provide the foundations and the frameworks for these specializations. The province of al-Jazirah specializes in agricultural production because it has the capabilities for building an advanced agriculture in that province.

"The Blue Nile Province specializes in industry and agricultural industrialization because it has numerous traditional and modern industries. This means that some parts of the infrastructure which are necessary for building an industrial sector are available in this province.

"The Blue Nile Province has a large amount of raw materials that can be harnessed for the establishment and support of existing factories in the areas of textiles, compressed wood, paper, mineral industries and cement.

"As far as the White Nile Province is concerned--and it is the second province in Sudan with regard to the density of animal resources in addition to the tremendous fish resources which abound there--it is the proximity of the province to the major centers of consumption, especially after the Jabal Awliya' al-Dawim Road is completed, that will make the province develop its economic activity in the production of dairy products, fish and fish products."

Making the Masses of the Region Aware and Satisfied with Regional Rule

Dr 'Ali Muhammad al-Hasan deals with this characteristic and says, "This characteristic forces those who are carrying out regional rule in the central region to take it into consideration. We all know that regional rule has been a popular desire in the various regions of Sudan: the south, the west and the east. The masses have expressed this desire in various ways which in some regions reached the point of violence. When regional rule was established in the south, [its] political and social success was the best indication of what I am saying. However, we are saying that the motives that were and still are behind the great enthusiasm for establishing regional rule in most of the regions where such rule has been determined are lacking in the central region. If our senses are true, this means that the responsibility which will fall on the shoulders of those who will be charged with carrying out this rule in this region will be a greater and a more difficult responsibility. It will also be a more sensitive responsibility than that of their counterparts in the other regions of Sudan. The responsibility of the leaders of the central region includes providing material and concrete evidence to convince the citizens of the region that this kind of rule is feasible. In addition, the leaders of the region have the responsibility of managing the region well and developing its resources."

8592
CSO: 4504/11

DEPENDENCE ON EGYPT DISCUSSED

Paris AN-NAHAR ARAB REPORT & MEMO in English 1 Jun 81 pp 4, 5

[Text]

On the face of it, Egypt's peace treaty with Israel, enshrined in the Camp David accords, would seem to bear little relation to the fortunes of the largest and one of the poorest countries in Africa. But Sudan's fortunes are today as dependent on Egypt's as they have been since the times of the Pharaohs, when much of what is now know as Sudan was a mere province of Egypt – geopolitics not being an invention of Mr Henry Kissinger.

This was well illustrated by the celebrations last week of the 12th anniversary of the bloodless coup that brought President Gaafar al-Numeiry to power. The military parade and its attendant flourish would have gone largely unnoticed had it not been for the presence of President Anwar al-Sadat of Egypt, welcomed as the hero of peace and as Sudan's long-lost friend. The current cliché that President Sadat is the outcast of the Arab world who has strayed from the fold was belied by President Numeiry. He called for an Arab summit which Egypt would attend to smooth its relations with the rest of the Arab world because "the Arabs cannot be without Egypt."

It would indeed be satisfying if the Arabs could all sit and resolve their differences at a summit and stop treating each other as traitors, imperialists and renegades, but the fact is that if that were to happen, it would indeed mean having to accept a solution to the Middle Eastern conflict entirely on American terms – and it is well known that these do not include approaching the Palestinian issue as the core political problem and the PLO as an equal partner in negotiations. Thus, it is back to the old game of spheres of influence, polarisation and of course no solution at all.

The backlash to the entirely American – if partial – solution reached at Camp David has been a resurgence of Soviet influence, or fear thereof in the Arab world. But the Soviet Union has not regained influence alone: Arab states have actively sought out its support, including such "moderates" as Kuwait and Jordan, whose King Hussein was in Moscow last week.

But it is from Libya – one of the Soviets' more radical allies – that Sudan fears a nasty surprise. No sooner had Col Qadhafi ordered his troops into Chad at the beginning of this year, Sudan's old and traditional fears of Libyan expansionism – in its own eyes Soviet expansionism– were renewed. Backtracking on a somewhat neutral course in Arab affairs, even though it had cooled its relationship with Egypt, Khartoum re-established ambassadorial relations with Cairo last month, and has now completely embraced the Egyptian side of the geopolitical game.

With the Organisation of African Unity (OAU) unable to bring an end to the Libyan intervention in Chad, Sudan sees Libya as riding on a high, if self-proclaimed, wave of triumphalism. Much as Col Qadhafi insists that the government of Chad requested his troops' intervention, the Vice-President of that country recently made no bones about the presence of the troops and what he called "Libyan subversive activities." Lt-Col Wadal Abdelkader Kamougue also called for the withdrawal of the Libyan troops from Chad. And although President Goukouni Oueddie said nothing untoward at the mini-OAU summit held in N'djamena last week, it would be surprising for his Vice-President to be voicing an opinion which he did not share.

Even though Sudanese officials have somewhat overstated their concern with Libyan expansionism, subversion and infiltration remain a very real worry to them. Sudan is one of weak links in the strategic chain of Afro-Arab politics and its choices are thus limited. Since a more or less neutral stance and cool relations with Egypt led to what Sudan perceives as vulnerability to Libyan, and by extension Soviet, influence, it has in effect rallied to the Camp David camp.

And the move has not been sudden. Last March, the first public and firm indication of Sudan's changing mood came with the offer by President Numeiry of military facilities to the Americans. Predictably, this provoked an

outcry from a number of Arab capitals, but at the same time silence prevailed in others, notably in the Gulf. President Numeiry's offer was immediately preceded by an announcement of increased American assistance to Sudan to $104 million this year. It was immediately followed by the disclosure of a $100 million military aid package from the American government. And what with the economic reforms its is undertaking at the behest of the International Monetary Fund in order to obtain greater international financial aid (*An-Nahar Arab Report & MEMO*, March 9, 23 and 30), Sudan is obviously charting an openly pro-Western course. Poor and beleaguered, can it do otherwise?

Mutual defence pact is reaffirmed

It is not a coincidence that the two other Arab countries (one of them also in Africa) which have offered the US military facilities are also ones who perceive themselves as threatened by "Soviet expansionism" – and this accords very well with Washington's cold war mood. Facing Marxist South Yemen is also a beleaguered and not very wealthy sultanate of Oman; and opposite Marxist Ethiopia is an even poorer and more isolated Somalia. With neutrality and Arab unity chimerical things, since words do not feed or protect the poor and the weak, both Oman and Somalia have extended their countries as outposts for American observation, and possibly intervention. Oman may yet find a way out of this corner, with the establishment of the Gulf Cooperation Council (see Focus), but Somalia and Sudan certainly have no such beneficient and rich neighbours.

Sudan has been bound to Egypt since 1974 by a mutual defence pact which also contains economic co-operation clauses. This pact is now being reaffirmed, while the economic integration programme is already under way – albeit slowly. Egypt and Sudan are presently engaged in the construction of a $442 million canal to give both countries about 3.8 billion cubic metres of water a year. The 280-km long Jonglei canal, running from southern Sudan to the Upper Nile is expected to be completed by next year, providing an additional two million acres of land with irrigation.

The two countries have also established an integrated border region where nationals of both states move freely without restriction. And work has yet to begin on a 1,200-km road linking the two countries. A lack of funds for the $185 million project has been the cause of the delay.

President Numeiry's call for a pan-Arab reconciliation summit went largely unheeded except for the expected words of reprobation from the PLO, Libya and Syria. The first two have called for the expulsion of Sudan from the Arab League, while Syria announced that it would not be nominating a new ambassador to Khartoum, and appealed to other Arab countries to "take a unified stand against Sudan to preserve the basic interests of the Arab nation."

The only sign of any positive response to Sudan's renewal of close relations with Egypt could be gleaned from the grant by Saudi Arabia of $100 million for "economic reforms", announced during a visit by the Sudanese Defence Minister to Riyadh last week. But then, that may not be anything to go by, given Saudi Arabia's propensity to distribute its monies generously, if not in equal amounts, to organisations as diverse as the PLO and the Muslim Brotherhood.

CSO: 4500

BRIEFS

FORMER OPPOSITION LEADER DIES--London, 7 Jul (AFP)--A longtime Sudanese opposition figure who recently made up with the regime, Babakr Karar Muhammad Nur, died today of an illness that had brought him to London for treatment, opposition sources said. Karar Muhammad Nur, a lawyer, was a leader of the Islamic Socialist Party and had carried on his opposition activity within the Sudanese national front. But when President Ja'far Numayri called for a reconciliation with the Islamic opposition just over two years ago, Mr Nur quit the national front and came along. He had been living peacefully in Khartoum since then. [Text] [NC072121 Paris AFP in English 2044 GMT 7 Jul 81]

NUMAYRI CHAIRS CABINET MEETING--Khartoum, 21 Jun (SUNA)--President Numayri affirmed before the cabinet meeting today that the regional assemblies inauguration has been a great victory to the revolution and Sudan towards achieving a high target of decentralization. During the cabinet long meeting, the president hailed the regional masses' stand during the railway workers' strike which prevent Sudan enemies from striking the Sudanese gains. The president further explained the plans to executive phases of regional government. The president expressed satisfaction that the programme scheduled for carrying out the regional government bodies is executed as he promised. The cabinet also reviewed the country security in light of the head chief of the state security body which indicated controlled situation. The meeting further reviewed the reports submitted by ministers of cooperation commerce and supply, energy and mining, which indicated crushing all barriers. The president reviewed with elaboration the issue of internal front safeguard process and secured on its right line. [Text] [JN211942 Khartoum SUNA in English 1850 GMT 21 Jun 81]

CHAD EMBASSY EXPLOSION ARRESTS--Khartoum, 28 Jun (SUNA)--Responsible sources at the state security ogans have disclosed that the principal perpetrator of the explosion that occurred in the Chadian Embassy in Khartoum last Thursday was arrested last night. Perpetrator (Bashir as-Salik) is a Chadian citizen who came to Khartoum as a leader of a terrorist group to carry out a sentence said to have been passed against Hissein Habre, leader of the forces of the north. Preliminary investigations have revealed that the terrorist group believed that Habre was in the embassy on the day of explosion. The group planted a time bomb in the shape of a transistor radio inside the embassy. The bomb went off, killing two Chadians and wounding two others. The arrest of the terrorist and his collaborators unequivocally confirms the involvement of Libya and its agents in the Chadian Embassy incident. [Excerpt] [JN281048 Khartoum SUNA in Arabic 1035 GMT 28 Jun 81]

BULGARIAN-SUDANESE FRIENDSHIP SOCIETY ESTABLISHED--Khartoum, 24 Jun (SUNA)--Dr Yusuf Bisharah, secretary general of the National Council for Friendship, Solidarity and Peace, met with the Bulgarian ambassador in Khartoum. They discussed developing bilateral relations and the program of celebrations for Bulgaria's National Day. The Bulgarian ambassador praised the strong relations between his country and the Sudan and the Sudan's firm and leading role under President Numayri in supporting world peace and opposing imperialism, racial discrimination and Zionism. The Bulgarian ambassador also announced the establishment of a Bulgarian-Sudanese friendship society in his country. [Text] [JN241056 Khartoum SUNA in Arabic 1240 GMT 24 Jun 81]

LOAN FOR PETROLEUM PROJECTS--An agreement was signed in Khartoum today between the Sudan and the Arab Company for Petroleum Investments for a loan of $30 million to be used in completing several projects of the General Petroleum Institution. [Excerpt] [JN271812 Khartoum SUNA in Arabic 1745 GMT 27 Jun 81 JN]

ARAB LEAGUE TO CAIRO--Cairo, 28 Jun (MENA)--Sudanese President Ja'far Numayri has urged the immediate return of the Arab League to its original headquarters in Cairo. He said that the headquarters belongs to the Arab League and that it is the league's duty to be there and to stay there. President Numayri said that any objective assessment of the present Arab situation and any evaluation of the Arab nation's strategic future would clearly show that the policy of "boycotting Egypt" is a negative policy and denotes continuation of the same negative mentality that has lost the Arabs so much so far. In an interview with the ROSE AL-YUSUF magazine published in its 29 June edition, President Numayri says: I consider the transfer of the Arab League from Cairo to Tunis to be a capitulation to Israel and a withdrawal from the arena. This, in my opinion, constitutes a defeat as bad as that of 1967, if not worse. In his interview President Numayri calls on the Arabs to shift from the policy of withdrawal and boycott to the more suitable policy of attack and confrontation [al-Iqtiham Walmuwajahah]. He adds: I can imagine the Israeli flag on the Israeli Embassy in Cairo faced with all the flags of the Arab League, with Arab deliberations and meetings taking place and resolutions of Arab representatives being made in Cairo, in the same arena where the Israeli ambassador is present. In this way, President Numayri says, we will at least be supporting Egypt in its "peaceful" conflict with Israel, and we will be influencing its policy and imposing our presence in the most important Arab field, in Egypt, whose decisive and fateful Arab role cannot be disputed by anyone. [Text] [NC280824 Cairo MENA in Arabic 0710 GMT 20 Jun 81]

AGRICULTURAL PROJECTS--Wad Madani, 30 Jun (SUNA)--The Arab Organization for Agricultural Development will implement three projects for agricultural production in the general region along the White Nile. The total cost of the three projects amounts to 120 million Sudanese pounds. 'Abd ar-Rahim Mahmud, governor of the central region, yesterday met with a delegation representing the Arab organization to discuss the steps carried out by the organization for the implementation of these projects dealing with fodder, rice and animal production. [Text] [JN301045 Khartoum SUNA in Arabic 1012 GMT 30 Jun 81]

IMPROPER SALE OF SEEDS--The minister of agriculture and natural resources in the province of Kordofan issued a statement to the farmers in the province warning them against selling any quantity of the improved beans which had been distributed to them by the ministry for cultivation this season. The seeds were distributed for the purpose of increasing production, improving the grade of the beans and realising a rewarding return for farmers. The statement indicated that the authorities of the ministry had received information indicating that quantities of beans had been put up for sale in the markets after the beans season had ended. The statement affirmed that any such operations which are confirmed by evidence will result in bringing the seller and the buyer to trial. [Text] [Khartoum AL-AYYAM in Arabic 20 May 81 p 1] 8592

WOMEN'S ROLE IN DEVELOPMENT URGED--President Numayri delivered a speech yesterday on the occasion of celebrating the 10th anniversary of the establishment of the Sudan Women's League. In the speech he asked that the league and its foundation bring about the required correspondence between women and their nature and women and their role in looking after society so that they can become the means for developing the social institutions, the means for developing social services and the means for expanding and diversifying these services so as to include them in the subdivision, the village, the city and the capital of the region. His excellency said that the Sudan Women's League and its foundation are being called upon not to separate themselves from political action under the slogan of specialization. Sudanese women are workers, farmers, intellectuals and inseparable parts of the regular forces. They are the mothers and the sisters of soldiers. In some of the organizations of the regular forces, they make up an effective and a contributing element to the activities of those organizations. It is not too much for God that the earnings and the work of Sudanese women constitute part of the national capital. His excellency explained that women's participation in all the alliance forces and their membership in the activities of all the alliance forces simply qualify them for the pursuit of political activity in its broad and specific sense besides the pursuit of the social work that is required of them. His excellency indicated that what was required for the Sudan Women's League and its foundation is not to expect gifts by decree from the executive and political leaders, but that they are rather required to realize their demands by assuming the initiative and by making their aspirations materialize through their accomplishments. They and their leaders are also being called upon to rid themselves of the vestiges of the old past when there were blocs and groups, when there were differences and controversies, when there was division and fragmentation and when proverbs were reported and treated as truths to define positions. The president said that the leaders but not the foundation of the Sudan Women's League were being asked not to confirm in their practice and by their practice what is being reported by some about the fact that women in the workplace argue rather than share; that their aim is conversation and their purpose is companionship. This is injustice, and its denial is required. It is the broad majority of Sudanese women who produce in silence and loneliness in the pastures of the west, the fields of the north and the central region, in the plains of the south and on the feet of mountains in the east. [Text] [Khartoum AL-AYYAM in Arabic 2 Jun 81 p 1] 8592

PLAN TO COMBAT DESERT ENCROACHMENT--Mr Fadl-Allah Hamad, deputy governor of the province of Kordofan met with a delegation of anti-desert encroachment experts at the offices of the regional government. The delegation was made up of 13 experts from various international organizations and authorities that work in the field of desert encroachment. The delegation explained its mission whose purpose was to complete a study of financing 10 projects in various areas of the province of Kordofan to establish protective zones [to guard] against the danger of desert encroachment. The deputy governor of the province promised the delegation that the regional government will help it complete this project. The delegation of experts had toured the affected areas around the city of al-Abyad. [Text] [Khartoum AL-AYYAM in Arabic 20 May 81 p 1] 8592

CSO: 4504/10

BRIEFS

CLASHES IN ALLEPO--Scores of soldiers and civilians have been killed in Allepo during clashes between special Syrian units and members of the Muslim Brotherhood. Exclusive information received by the Voice of Lebanon indicates that at noon yesterday following Friday prayers special units surrounded the as-Sabil area with tanks and pursued some Muslim Brotherhood members into a building. As a result, five soldiers were killed and a number of persons were wounded. Following the clash two four-story buildings were blown up with the occupants inside. Fierce fires broke out in the surrounded quarters, compelling the inhabitants to leave their homes and take refuge in safe areas. [Text] [NC111330 Beirut Voice of Lebanon in Arabic 1215 GMT 11 Jul 81]

WEST BANK STUDENTS ACCEPTED--Nabulus, 7 Jul--The Syrians have increased the number of university places reserved for Judaea, Samaria and Gaza Strip students. Next year 500 students from the territories will be allowed there, compared with the current 150. This was reported to the ITIM correspondent in Judaea and Samaria from Palestinians who have recently returned from Syria. The Syrian authorities have announced that this gesture was intended to fortify the steadfastness of the residents in the territories. It should be noted that so far the Syrians have scrupulously examined each case and have only taken a small number of West Bank students into their universities. The Syrians' real purpose in changing its policy is unclear. [Text] [TA071854 Tel Aviv ITIM in Hebrew 1830 GMT 7 Jul 81]

CSO: 4323/14

OIL ENGINEERS' TRAINING SCHOOL TO OPEN IN THE UAE IN SEPTEMBER

Paris AN-NAHAR ARAB REPORT & MEMO in English No 26, 29 Jun 81 pp 8, 9]

[Text]

Construction of a $6 million training centre for oil engineers is nearing completion in the emirate of Sharjah and the school should be ready to open in September this year, it was reported last week.

The official UAE news agency *WAM* said the centre was being established by a joint venture between Dowell Schlumberger and Sheikh Sultan Khalid al-Qassimi. Located on a five-acre site in Sharjah, the school will include a laboratory and provide training in testing the cementing and stimulating process involved in oil exploration.

The centre is the fourth of its kind built by Dowell Schlumberger, which already runs schools in France, Britain and South America, *WAM* said. The Sharjah centre will initially accept 18 students for a comprehensive 12-week course; subsequently, it will take another 20 students every six weeks until it reaches the maximum of 125.

"Ultimately we are seeking to recruit 100 per cent local nationals," Sheikh Sultan was quoted as saying. Ten Dowell Schlumberger instructors will be permanently based at the school.

Upon completion of the course, graduates will be assigned to the company's operations elsewhere in the Middle or Far East, the report said.

It went on to quote Dowell Schlumberger's Project Co-ordinator for the Middle East, Mr R A Needham, as saying that the choice of Sharjah as the location for the school had nothing to do with recent reports of oil discoveries in the emirate. "Sharjah is an ideal location with a right balance of essential facilities," he said.

Sharjah currently produces about 12,000 barrels of crude per day from a single offshore field; this compares with Dubai's output of some 360,000 b/d and Abu Dhabi's 1.4 million b/d.

CSO: 4300/38

BRIEFS

DUBAI WATER PROJECT--The Dubai Electricity Company has begun a project to more than double its water supply to about 28 million gallons a day by 1984, it was reported last week. The Dubai-based English language newspaper GULF NEWS described the project as an "extension programme," but went on to assert that existing production facilities were adequate and that no shortages should occur in the foreseeable future. These facilities include two desalination plants and three well complexes. The electricity company is currently producing about 13 million gallons per day from the desalination plants, while Dubai's aluminium smelter is producing 8 million g/d and the wells are yielding 6 million g/d. The engineer, Eric Tulloch, said that demand for industrial and domestic use was expected to rise from its present level of 27 million g/d to 31 million g/d by the end of the year. The electricity company plans to boost its output by 15 million g/d in the years 1983 and 1984. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 26, 29 Jun 81 pp 4, 5]

CSO: 4300/38

BRIEFS

INSURGENTS CLASH--Kuwait, 28 Jun (AFP)--Fighting has broken out in several areas of North Yemen between the army and the insurgent South Yemen-backed National Democratic Front (NDF), the Kuwaiti Daily AL-SIYASAH reported here today. The clashes, involving armored units and heavy artillery, were localized in the areas of Dhamar, Ibb, and Ta'iz, the newspaper said. NDF sources quoted by the paper claimed that government forces had destroyed a number of villages far from the fighting area. [Text] [GF281200 Paris AFP in English 1151 GMT 28 Jun 81]

CSO: 4300/28E

END

END OF
FICHE
DATE FILMED
22 July 1981